Entry to Home Ownership. A comparison between Turkey and the Netherlands

Sarioglu, G.P.

RIJKSUNIVERSITEIT GRONINGEN

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Promotor:	Prof. dr. P.H. Pellenbarg
	Prof. dr. M. Balamir
Copromotor:	Dr. P.R.A. Terpstra
Beoordelingscommissie:	Prof. dr. J. van Dijk
	Prof. dr. T. Gök
	Prof. dr. E.F. Nozeman

To mommy and daddy

for all their love and support

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PREFACE

This doctoral study has been the single most important adventure of my life; and I can say that my most significant life experiences up to this point have been as a result of this PhD. I have learned many things regarding not only professional life but also my personal life, and would like to think that I have become someone who is more patient, someone who is more able to deal with unexpected changes and someone who is not afraid of starting again from the beginning, even after entering the final phase. This process has taught me to make more plans, but also to be ready to face more delays.

First of all, I would like to thank the promotors and members of my reading committee, Prof. Dr. Piete Pellenbarg, Prof. Dr. Murat Balamir, Dr. Peter Terpstra, Prof. Dr. Tamer Gök, Prof. Dr. Jouke van Dijk and Prof. Dr. Nozeman, for their support while I was compiling this thesis and for their valuable feedback. I am grateful for all the time sacrificed by the reading committee, and believe that their input as contributed greatly to the final result. At no point have I ever felt alone while writing this thesis, and I do not believe it would have been possible without them in my life.

The initial idea to study processes in the housing markets regarding tenure types, and especially owner occupation, was instilled in me during the CRP 501-502 Planning Studio in 2000–2001, where I had the opportunity to study with Prof. Dr. Murat Balamir. I would like to thank to him for encouraging me to address a subject that is so meaningful to him. Special gratitude goes also to Assoc. Prof. Dr. Baykan Günay. Although I was never a student of his during my undergraduate education, I was fortunate enough to begin my academic career as a research assistant in his Studio Course CRP 101. He taught me the discipline of "Planning" from the beginning, and it was under his wing that I became acquainted with the more intriguing aspects of the discipline. I express my gratitude also to Assoc. Prof. Nil Uzun, who provided constant guidance in my academic life, but also showed me the way when it seemed like all the lights had gone out. Special thanks also for her for introducing me to "Undutchables", and for lending me the video of her PhD ceremony.

Studying and living in the University of Groningen provided me with some of the most memorable experiences in my life, and I offer sincere thanks both to my parents, Gül and Yusuf Sarıoğlu, and to Prof. Dr. Tamer Gök for encouraging me to study abroad. I also wish to thank the University of Groningen Faculty of Spatial Sciences for granting me with the Ubbo Emmius Scholarship. My heartfelt thanks go to Prof. Dr. Pellenbarg, once again, for accepting me as an external PhD researcher; and to Dr. Terpstra, both of whom took the time to meet with me on a weekly basis during my nine-month stay to discuss my thesis. These two members of the academy were always helpful and willing to answer all my questions, and studying with them has been a real pleasure. I would like to send my thanks to Prof. Dr. Van Wissen, as well, for his kind helps in re-analysis of the data. I also wish to thank to Ir. Heins, who played an active role in the process, in particular for providing me with the WoON 2006 data just when I thought every avenue had been closed.

Living in Groningen turned me into someone new. I met wonderful people there, who turned some potentially lonely times into very exciting and unforgettable ones. Among them, Muzaffer Demir deserves special mention for his constant support; and also Sierdjan Koster, my office neighbour, who always took time out to answer my millions of questions during my stay in Groningen. I also express my deep gratitude to Christian Tröster from the Plutolaan student house.

I would like to thank my friends and colleagues Burcu Özdemir Sarı and Senem Yaşar– we set out on this journey together, and although our paths diverged along the way, we have remained close. Burcu deserves additional mention for her help with the survey: from design stage of the questionnaire in 2000 to the implementation; and from the computation of the surveys into SPSS format, to the establishing of GIS relations. While dealing with similar data and problems, she has become the person who has grown to know me best. Özgehan Özen also deserves a special note of thanks for his helps about the survey. Special thanks go to my officemates in Room 305 at ODTÜ – Yasemin Sarıkaya and Sinan Burat. I would like to thank also to Seyit Kapusuz and Güliz Korkmaz-Tirkeş for their helps about printing, cover design, and layout. I express my deep gratitude to Ayça Erdoğdu, Burak Toydemir and my cousin

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I wish to thank my one and only sister Efsun, who was always next to me. From the very beginning she has been there to encourage me, not only in my PhD but also in studying abroad. I was able to face obstacles easier knowing that she was there to support me and offer practical advice when tackling unexpected problems. She always made me feel better, with her continuous support and love. Despite the thousands of miles between us, the physical distance was never felt. She provided me with the greatest moral support, which I now know to be invaluable during a PhD process. I could not have wished for a better sister, and along with her husband, Abdullah Kayı, they remain my far away but always close angels. Here, my heartfelt thanks go also to BA. He is always in my heart.

Finally, very special thanks go to my parents, who encouraged me with their endless love and support. I feel very lucky to be the recipient of this endless love. Without the confidence they instilled in me I could not have surpassed my problems. I never gave up, knowing that they were behind me, as they always have been. There is nothing in the world that can equal their presence in my life. There is almost nothing I could ask my mother or father that they would not do for me. I know that if I had had the chance, I would definitely have chosen them to be my "parents".

Although a PhD is a lonely journey, this study could not have been accomplished without the presence of all these wonderful people in my life. I feel very privileged to be able to call them my family, friends and colleagues. In hindsight, now that this PhD is complete, I can fully understand their significance in my life, and I hope to remain in touch with all of them.

G. Pelin SARIOĞLU

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ABBREVIATION LIST

BRSA: Banking Regulation and Supervision Agency (Bankacılık Düzenleme ve Denetleme Kurumu)
CBS: Statistics Netherlands (Centraal Bureau Statistiek)
CMB: Capital Markets Board of Turkey (Sermaye Piyasası Kurulu)
CPB: Netherlands Bureau for Economic Analysis (Centraal Planbureau)
EHO: Entry to home ownership
EHOI: Entry to home ownership index
EHOP: Entry to home ownership profile
HDA: Housing Development Administration of Turkey (Toplu Konut İdaresi Başkanlığı)
HBS: Household Budget Survey (Hanehalkı Bütçe Anketi)
Hh: Household
HHh: Head of the household/Householder
HICES Household Income and Consumption Expenditures Survey (Hanehalkı Gelir ve Tüketim Harcamaları Anketi)
HUD: The US Department of Housing and Urban Development

GYODER: The Association of Real Estate Investment Companies (Gayrımenkul Yatırım Ortaklığı Derneği)
METU: Middle East Technical University (Ortadoğu Teknik Üniversitesi)
MINVROM/VROM: Dutch Ministry of Housing, Spatial Development and Environment (Ministerie van Volkshuisvesting, Ruimtelijke Ordening en Milieubeheer)
NHG: Dutch National Mortgage Guarantee (Nationale Hypotheek Garantie)
NOO: Non owner occupation/non owner occupancy
OO: Owner occupation/ owner occupancy
ROA: City Region of Amsterdam (Stadsregio Amsterdam-Regionaal Orgaan Amsterdam)
SPO: Turkish State Planning Organization (Devlet Planlama Teşkilatı Müsteşarlığı)
SRP: Scientific Research Project (Bilimsel Araştırma Projesi)

Abbreviation list

TUIK/TURKSTAT: Turkish Statistical Institute (Türkiye İstatistik Kurumu)

WBO: Housing Demand Survey (Woningbehoefte Onderzoek)

WoON: Housing Demand Survey (Woononderzoek Nederland-from 2006 onwards)

WWII: Second World War

CHAPTER 1

INTRODUCTION: RELEVANCE OF COMPARATIVE HOME OWNERSHIP STUDIES

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This dissertation examines the process of "entry to home ownership (EHO)" and its multiple relations in societies, and elaborates how it can be employed as a policy tool in the planning discipline. It is argued that this single variable makes it possible to manipulate numerous conditions in a housing system in such a way as to have a significant impact on the macro and micro environments, and thus provide manipulative leverage to planners and policy makers in the monitoring of socio-spatial systems. Studies into tenure and/or entry into home ownership already have a strong position at the heart of housing studies (Fejitsen and Mulder, 2002; Megbolugbe and Linneman, 1993; Clark, Deurloo, Dieleman (1997); Dieleman, F. M., and Everaers, P. C.J. (1994); Mulder, C. H. and Wagner, M., (1998), primarily due to the increasing trend of growth in home ownership[1] in the majority of advanced capitalist countries. Recent liberal movements have affected even countries like the Netherlands, a welfare renter society where housing has been considered a "social need", however this approach has begun to be replaced by market-oriented liberal housing systems. In Britain, for instance, the vast majority of households are home owners that generally wish to remain so, and some ½ to ¾ of all tenants are keen to follow them into home ownership (Saunders, 1990). A similar trend is also noted in Turkey; where the results of a survey in Ankara revealed a home ownership rate of 66.2 %; while 60.8 % of all renters are seeking to become home owners[2] in their next move. Countries like the United States and

[1] The term home ownership rate refers to the ratio of owner occupiers. The ratio does not cover multiowners or homeowners who are currently tenants. Both of the data sets employed in this study refer to the OO ratio when discussing home ownership rates.
[2] See 5.3.1, "The meaning of owner occupation" for details.

Australia, on the other hand, which are already known as home owner societies, are seeing home ownership rates go through a further increase (Ronald, 2008). Due to the policies of the conservative-liberal parties that have dominated many administrations since the 1980s, or the capitalist mode of production that encouraged private property ownership or individualization trends among people, there is now a strongly perceived need to analyze "home ownership" as a policy issue. This thesis aims to address home ownership as a significant attribute of contemporary societies that deserves scholarly study, so as to reveal the factors that have the potential to influence the entry into home ownership (EHO) process by examining their relative effects. To this end, a comparison is carried out between two countries that bear distinct differences with respect to their housing policies: Turkey and the Netherlands.[3] While the housing sector in the former is almost exclusively reliant upon the private sector, the latter is known for the state's broad provision of public housing; however recent evidence indicates that the Dutch housing system has become deregulated, while the Turkish housing system is attempting to take social concerns into account in its housing system. The fundamental differences between these two housing systems offer the opportunity for fruitful comparison that may help to highlight the relevance of the composite factors in either case.

Throughout this study, terms like "housing system" and "entry to home ownership" are frequently used; which in some instances may refer to already known processes, but may need clarification, while in some other instances they may have particular meanings. Definitions of these terms and acronyms are given in Appendix A.

1.1. CONTEXT

Housing is a fairly fundamental requirement in the estimation of most people. In every country, in every community, from the earliest times in history to the modern ages, from caves in which men used to live, to the ultra-luxurious dwellings of high rise residences, there has never been a

[3] In Section 4.4 the details of the comparison are elaborated.

time when the housing of people would not have been on the agenda. This can be attributed to the numerous roles that housing provides for; it is firstly a shelter that protects us from adverse natural conditions and other dangers of the external world; while also being a consumption good in the free market economy and a considerable part of our physical environment. Especially when "ownership" is considered, it is an economic entity, providing power and status to its owner in socio-economic life. Last but not least, it is a property right ensuring "a title deed" that is associated with feelings of security and belonging.

The most remarkable changes in the concept of housing occurred as a result of industrialization and urbanization, after which fundamental changes in social and economic relations took place that lead to a continuous modification in living habits, and the housing of people and home ownership acquired new dimensions. Due to the increasing numbers of migrants and the subsequent demand for housing in the cities, new forms of housing provision were created, bringing their own socio-economic and spatial repercussions. Many countries developed policies to maintain control over housing stocks and provide adequate housing, or at least arrange access to housing. By the time welfare economies were starting to emerge in industrialized countries most housing policies were being implemented hand-in-hand with the development of public housing and systems for housing finance. In the Anglo-Saxon countries however, the understanding of property at the time resulted in an orientation towards home ownership in central policies and household practices (Ronald, 2008).

Such policies are hard to design (Harsman and Quigley: 1991), being site specific, requiring modifications in time; and being closely linked to socio-economic circumstances, the political choices of administrations and the demographic features of populations (Myers, 1990). The feature of housing that it is fixed in place; expensive to produce, buy and sell; durable, with an extremely long life span; and a necessity and a need (Harsman and Quigley: 1991: 2), make it "peculiar", attracting the attention not only of households, but also of administrations. As Doling (1997:7) claims, among the industrialized countries there are no examples of governments that do not facilitate access to housing only among free market alternatives. The perspectives of two primary actors, households and administrations that have powers to control the housing systems, are

elaborated in the next part, revealing the contemporary significance of housing and home ownership.

1.1.1. Administrative concerns in housing systems

Housing in general and home ownership in particular are domains that are subject to extensive intervention by both central and local governments due to their social, economic and spatial impact, and a housing system is primarily a way of expressing **ideology**. As cited by King (1998:117-118), from the perspective of governments there is a dichotomy between owning vs. renting that is similar to the right vs. left duality. As stated by Harvey (1989b), suburban development, as a part of home owner communities, is a deliberate capitalist creation that is aimed at combating tendencies of under-consumption in society. Housing policy as a means of building a conservative hegemony was specifically employed by Macmillan, Eden and Thatcher in post-war Britain, just as Menzies did in Australia. In the United States however, the conservative aspects of home ownership were not so evident politically (Ronald, 2008). In countries with left wing governments, however, or where welfare policies are followed, housing is considered as a "need" that should be provided by the central and local administrations, and thus public housing developed in most cases.

There are also **economic concerns** as to why administrations attempt to control housing stocks. The first economic concern stems from the intention of an administration to achieve and preserve **stock efficiency**, as housing stock has a significant economic and social value. Administrations aspire to better utilize the housing stock, and as such attempt to control the movement of households within the stock, promoting particular tenure types or dwelling types in particular periods. Trends in housing stock and households, whether the disparity is widening or narrowing (Doling, 1997:9), make housing a target for intervention, and therefore the use, development and composition of housing stock in terms of tenure are planned in such a way so as not to waste national resources. It is inevitable that interventions by central or local administrations are associated with tenure types; and whether developing new units or rehabilitating older stock, housing policies implicitly involve tenure choices.

Additionally, administrations have a direct input into the development of tenure policies, and thus affect EHO, since these policies are influential in achieving higher **housing stock quality**. Housing is a fixed investment, and once built, major modifications can be difficult, however the lifespan of property can be extended through maintenance. In existing literature (Megbolugbe and Linneman, 1993, Mulder and Wagner, 1998), it has often been emphasized that owner occupiers are most likely to reinvest in their dwellings, and are known to be willing to engage in social neighbourhood works (Fannie Mae[4], 1992; Megbolugbe and Linneman, 1993) and be more responsible (Forest et al, 1990). As a result, the amenity levels of owner occupied houses and their surroundings are argued to be better than other types of housing stock (Megbolugbe and Linneman, 1993), although governments can still preserve standards in the quality of the stock by providing incentives and subsidies for renters.

Another economic concern of administrations, resulting from macro economic plans and targets, is that since the development of housing is a labour-intensive process, there is a strong backward relation with other industries and the **construction sector.** When the quantity of new construction increases, the macro economy may be better off due to decreases in unemployment. In Turkey, for instance, as stated in 9th Development Plan of the State Planning Organization:

> *"During the VIII. Plan Period, the share of the construction sector in GDP decreased from 2001 to 2003, increasing again after 2004. The growth in 2005 was mainly dependant on housing construction. At the end of the VIII. Plan period, construction permits increased by 85 %, reaching 99.5 million m2/year" (SPO, p.355).*

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[4] The original study is "FannieMae (1992) *FannieMae National Housing Survey*. Washington DC: FannieMae," cited by Megbolugbe and Linneman (1993).

[5] 8th Development Plan, online access on 29 April 2009, http://ekutup.dpt.gov.tr/plan/plan.asp.

Similarly, the Justice and Development Party's strong emphasis on "housing mobilization," which was initiated during their first term of the government (2002–2007), was mostly due to the multiplier affects of the housing industry on the macro economy rather than a real demand for housing. As a part of this mobilization project, in approximately two years it was aimed to start work on the construction of 150,000[6] units, and a total of 500,000 new dwellings[7] (2008) across the country[8] in nine years – up to 2011.

For administrations, the greater willingness of home owners to look after their physical environs is a significant benefit, alongside their ability to form **social** ties and build **communities**. Housing policy in the United States, for instance, strongly emphasizes such of effects of tenure, where home ownership is believed to build social life by creating a sense of belonging and attachment.
Consequently, administrations develop and implement tenure policies taking the above trends into account, and these policies may lead directly or indirectly to a variety of social and economic implications.

1.1.2. Household perspective in housing systems

As a relevant part of urban space, housing is where people live, socialize and spend a significant portion of their lives. From the perspective of households, home ownership is a major step in a housing career within the **Hh formation** process, and is a key element in their **life cycles**. Events like marriage and childbirth in a person's life are considered as being tied closely to home ownership in many countries (Fejitsen and Mulder, 2002; Megbolugbe I. F., Linneman P.D. (1993); Clark, W. A. V., Deurloo, M. C., Dieleman, F. M., (1997); Dieleman, F. M., and Everaers,

[6]HDA(2006) Research Series, No: 2. p. 85
[7] HDA(2008), Housing Implementation Programme Summary.
[8] These numbers only include the dwellings constructed by the Housing Administration, not the total number of dwellings constructed.

P. C.J. (1994); Doling, J. (1976); Mulder, C. H. and Wagner, M., (1998) etc.). From the perspective of households, as claimed by Fejitsen and Mulder (2002; 75), housing events serve to enable Hh events, which means that housing events are instrumental to the Hh career. In other words, households make choices of where and how they live – they may desire different housing facilities during distinct periods of their lives: more rooms/space when they are expecting a child; freedom to move from one property to another when they are young; liquidization of equity when they retire etc. For instance, when a larger house is needed, the choice is made generally towards home ownership since owner occupied dwellings are larger on average, and the costs associated with OO will decrease in the long term. Alternatively, when Hh life is stabilized, ownership is preferred for the security and investment value it may bring.

Secondly, housing as a commodity for investment is one of the primary features of **Hh economics**. Households consider owner occupation as a way of protecting their savings against inflation. Especially in developing countries where insurance systems are relatively undeveloped, or where inflationist trends are prevalent, households consider home ownership as protection against future ambiguities. It may also be argued that these countries are lacking in other investment opportunities, which puts property ownership in a superior position in terms of possible capital gains.

Housing also plays a role in the **socialization** process of households, as well as in the reproduction of relations with the society, thus, to change the Hh's standing in society is generally possible through changes in housing (Tekeli, 1996b) and sometimes the tenure type. Furthermore, as a result of the current property conceptualization in capitalist societies, home ownership is assumed to provide a sense of **security** and **belonging**, **status** and **social prestige** to households in society. The current property institutions in modern capitalist societies have promoted homeownership as something of extreme value in the estimation of Hhs. There are also arguments that home ownership provides more control over the dwelling to its owner, which in turn strengthens the social and psychological ties between the household and the dwelling (Megbolugbe and Linneman, 1993).

Cultural factors also influence the choice of tenure of households. The dominance of the owner-occupied sector in a country, for instance, may serve to develop implicit desires/ambitions towards home ownership. The significance of the tenure may be culturally traced even in the language and idioms used in the country (Gurney, 1999).

Table 1.1 summarizes the factors that have the potential to affect EHO. These factors are numerous and may have bivariate correlations among each other. In many cases, the magnitude of the effects can be generalized, while some factors may have unpredictable repercussions in different contexts, and will therefore necessitate local studies.

Table 1.1: Factors that have the potential to affect EHO and possible bivariate correlations among factors*				
		Factors	**Expected effect in EHO**	**Possible expected bivariate correlations**
Endogenous factors	**Hh events/ Hh attributes**	**Cohabiting, marriage, having children (Hh type)**	Positive	HHh age, Hh age, Hh total income, number of earners
		HHh age	Positive	Hh size, Hh type, Hh income
		Hh size	Positive	Hh type, HHh age
		Single status, divorced (Hh type)	Negative	Hh total income, Hh size, HHh age etc.
		HHh education	Negative	HHh income, HHh employment status
		HHh employment status	Employment status may decrease/increase future ambiguities and affect EHO Positive or Negative	HHh education, HHh income
	Physical/Spatial circumstances	**Number of rooms**	Positive	Size of the dwelling, age of the dwelling, dwelling type
		Size of the dwelling	Positive	Number of rooms, age of the dwelling, dwelling type
		Dwelling type	Owner occupied dwellings are in many cases detached houses in suburbs	Age of the dwelling, size of the dwelling, number of rooms etc.
		Neighbourhood facilities	Availability of amenities like schools, parks may be more prevalent in neighbourhoods with high owner occupation	Dwelling type, dwelling size, number of rooms

			rates.	
		Age of the dwelling	Households tend to buy newer dwellings and rent out older dwellings. Therefore, in general, owner occupied dwellings are expected to be newer than rented dwellings.	Dwelling type, size of the dwelling, number of rooms
	Financial concerns	**Hh income**	Positive	Hh type, HHh employment status
		Total Hh income	Positive	Hh total income, Number of earners, HHh education, HHh employment status
		Number of earners	Positive	Hh total income, HHh education, HHh employment status
		Parental resources	Positive	Assets, saving capacity
		Assets	Positive	Parental resources
		Saving capacity	Positive	Hh total income, HHh education, HHh employment status, assets, parental resources, number of earners etc.
Exogenous factors	**General factors and administrative interventions**	**Macro economic conditions**	In more stable economies, housing finance could be easily established which could increase OO. GDP per capita	Inflation rates, interest rates, availability of housing finance systems
		Inflation and interest rates	Inflation and interest rates could have opposite effects: high ratios may make OO a hedge	Taxation, costs of OO and NOO, housing finance system etc.

			against inflation, thus favouring EHO. Alternatively, high ratios may increase prices of OO and delay EHO	
		Ideological choices of administrations	Market dependent liberal ideologies would favour OO State dependent interventionist systems would decrease OO ambitions and rates	Demographic attributes, macro economic conditions etc.
		Demographic attributes of population	Ageing versus young populations, household formation processes, would affect administrations' choices for housing systems	Nature of housing systems, attributes of housing stock
		Housing finance system	Positive	Costs of OO and NOO, macro economic conditions
		Costs of OO vs. NOO/ property tax	Lower property taxation makes EHO easier.	Housing finance system
		Land supply, labour and construction costs	Low construction costs, not strict land supply options, low labour costs make EHO favourable.	Costs of OO and NOO, Housing finance system
		Availability of public and private renting	Negative	Housing finance system, construction costs
		Nature of housing systems	Pro-tenant, pro-landlord or neutral systems may have negative, positive or neutral	Ideological choice of administrations, housing finance system

			effects, respectively	
		Availability of housing allowances, rent control etc.	Availability of affordable and state supported renting options in a country could decrease home ownership ratio and affect EHO process.	Housing system, Ideological choice of administrations, Inflation and interest rates, construction costs, costs of NOO and OO
	Local housing market conditions	**Composition of housing stock**	Availability of adequate housing allocated for alternative tenure and dwelling types	Construction and labour costs, interest and inflation rates, availability of public and private renting, housing finance systems
		Urbanization level	Negative More urban areas would be assumed to have more rental options, decreasing OO rates	Rent allowance, public rental sector, attributes of housing stock
	Cultural factors	**OO ambition, culturally attained values to tenure types**	Positive	Housing finance systems, inflation-interest rates, home ownership rate, composition of housing stock etc.
		Home ownership rate	Positive	Housing finance systems, inflation-interest rates, home ownership rate, composition of housing stock, language-idioms etc.
		Language/idioms, settled sayings	Positive	Living styles and habits, OO ambition etc
		Parental tenure choices	Owner occupier parents could	Living styles and habits, parental

			make children future owners due to inheritance	resources, assets
		Living styles and habits, individual consumption patterns	Prevalent way of living affects individual tenure choices.	Home ownership rate, language, parental tenure choice
Note: Factors affecting EHO are evaluated in detail in Section 2.3. See also Table 4.1 for primary arguments, methods, and data sets used in several previous researches and associated findings in literature.				

1.1.3. Embededness of EHO in time, space and society

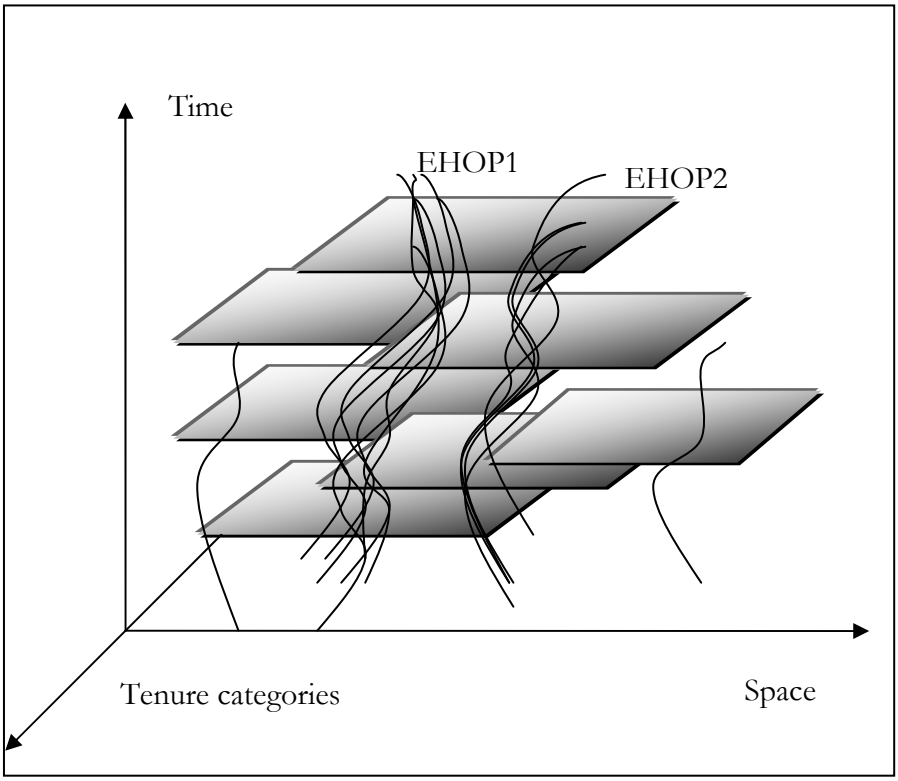
EHO is influenced by both macro (policy implications) and micro conditions (households). Macro conditions determine the context, and Hhs bound to these circumstances in their housing careers, as individuals make choices within their given macro conditions, however the solutions may be different for different countries and regions. EHO is not a simple choice that households make – there are many factors that need to be taken into account, and these individual factors may have interrelations with each other. This makes the process difficult to analyze and almost impossible to break down into its composite parts. Therefore, an analysis of EHO cannot be reduced only to binary choices or economic models, but rather should involve several levels of investigation.

Macro and micro factors can be accepted as the demand and supply sides of the process, and can be further deconstructed into general economic conditions, implemented housing policies, institutional set up, local and regional circumstances, availability and efficiency of the housing finance system, attributes of the housing stock, demographic features, characteristics and preferences of the Hh, cultural tendencies, economic concerns of the Hh, events in the life cycle of the Hh and socio-cultural values attributed to OO.

Broadly speaking, macro conditions determine the *context* through which a households' choices are controlled and restrained within frameworks that change in time and space (represented as layers in Figure 1.1). This also represents the authorized housing market; and any attempt to move outside the layers can be considered as unauthorized housing. Given the contexts-frameworks (represented as layers), households move from one type of housing to another throughout their life cycles, shaping their housing careers (represented as lines). In doing so, they find ways of being housed within the housing systems in associated time-space

combinations[9]. If the lines in the graph are assumed to represent individual Hhs, then the concentration of significant numbers of Hhs along particular paths may be considered as EHO profiles[10].

Figure 1.1: Macro and micro factors affecting EHO, and the formation of EHOPs



[9] Housing careers involve EHO in most cases, yet there still may be cases in which Hhs never entered OO. Considering the focus of the study, lines in the figure represent cases with EHOs.

[10] EHO profiles are defined and further discussed for the two countries in 3.6.1.

Table 1.1 reveals the complexity of the EHO process, and as such a detailed study may be considered as challenging, providing an opportunity for planners. By using EHO as a monitoring leverage point, planners and policy makers may manipulate the many attributes of housing systems and develop appropriate housing policies. From a rationalistic reductionist point of view, factors influencing this process can be argued to be universal, and so valid for all countries, and this argument may be accepted to some extent: It may generally be expected, for instance, that among income groups, as the Hh income increases, home ownership rates also increase. However, the contributing factors are so embedded and interwoven in both time and space that they may have distinct implications that are even contrary to the existing arguments of literature. The results of this study reveal, for example, that in Turkey the expected positive effect of household income in becoming owner occupiers is found not to be valid[11], and so there is reason to believe therefore that every country should conduct EHO studies of its own to develop better housing policies.

In order to demonstrate how EHO could have far-reaching repercussions a hypothetical discussion is presented in the following section. The discussion is based on the changes that are likely to be observed when the average EHO age is changed.

1.1.4. Changes in EHO and its far-reaching implications: A hypothetical discussion

For a demonstration of the multidimensional structure of EHO, a hypothetical discussion is presented that is based on altering the average age of EHO. Even changes of 1–2 years in this respect may have significant implications, since Hh events, such as marriage or childbirth, happen in short periods of time. Making EHO accessible much earlier may invoke significant implications in the Hh's social, economic and

[11] See 5.2.4 for elaboration of the effect of "income" in EHO in Turkey.

cultural lives. When a decrease in the average EHO age occurs, making earlier ownership possible, the following arguments can be developed in advance, depending on existing EHO literature and previous housing studies.

When ownership at younger ages becomes prevalent in a society, renting as a tenure type becomes marginalized. From the perspective of *renters,* a social and cultural gulf may open, and society may become polarized in terms of tenure type. Demand may decrease for the other component of renting, being *rented dwellings*. This process was observed in Great Britain after tenants of state-owned housing were given the right to buy in the 1980s. Properties that were in less demand were sold off, turning them into higher-demand owner occupied dwellings. During this process, home ownership rates increased considerably from around 50 % in the 1980s to around 70 % in 2007 (Ronald, 2007).

As a result, administrations are faced with two alternative paths: Demolition of existing rented stock and replacement with owner occupied houses; or rehabilitation of the rented dwellings to make them attractive for OO. By choosing the first option, administrations can bring macro economic advantages and precipitate increases in the level of construction, leading to macro economic growth and decreased unemployment. This tends to be the choice of Turkish administrations, which tend to consider OO as a motivator of the construction sector, and thus assess OO as a saviour of the economy. The Housing Administration has stated that Turkey will overcome the current economic crisis with the help of investments into construction, that the amount of construction investments will not decrease, and that Turkey's vast experience in construction will steer the country out of the recession that arose due to the subprime mortgage meltdown[12]. Mingione[13] (1977)

12

http://www.sabah.com.tr/2008/11/09/haber,BEBBF79EA34C4815ABD3CFD94657D022.html (Accessed on 12.11.2008)

links this tendency to destroy and waste resources to the capitalist mode of production and the aspirations of continuous development of production, given that the life expectancy of housing in the 19th century was 50–100 years, while now it is only 20–30 years.

However, following the latter path (the rehabilitation policy) in the rented sector may extend the durability of existing housing stocks, leading to the "preservation of natural resources". If the rehabilitation policy is promoted by encouraging reinvestment in dwellings, then the level of new construction may fall and construction firms may turn their specialization to rehabilitation. This opens paths for the better preservation of existing stock; however, the general economy may experience a recession due to decreases in workload in the construction sector.

Both policies have strong spatial repercussions, since they both lead to changes in the physical urban fabric and housing typologies. For instance, the home ownership policy in Australia is characterized by suburbanization and a particular type of single family house, located on its own land with a garden (Ronald, 2008).

In addition to spatial effects, like changes to neighbourhoods and housing typologies, socio-cultural relationships may also undergo change. The "Appurtenance[14]" process experienced in Turkey, for instance, led to a city landscape that featured apartment blocks for private rental in the city centres, and was accepted as the reason behind the disappearance of traditional street life and neighbour relations in Turkish cities. As can also be seen in Italy, the failure to preserve the housing

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[13] The author discusses mostly the replacement of residential units by commercial and industrial units, like skyscrapers.

[14] Balamir 1996a argues that property rights were reorganized in the urbanization process of Turkey. The three primary forms are: appurtenance, apportionment and appropriation. See also section 3.3.1.

stock was seen to be accompanied by the destruction of social relations, leading to social conflict and social imbalances (Mingione, 1977).

In addition to changes in the rented sector, earlier EHO in a Hh's life cycle would make OO even a more superior preference and the ultimate tenure in society. EHO through inheritance would possibly increase in the long term, leading also to increases in home ownership and multi-ownership rates, and this increase in home ownership would increase social ambitions for EHO, in turn accelerating home ownership rates. Multi-ownership could be more extensive in society, putting owners in a hegemonic position with increased monopolistic power; which socially may result in polarization and social inequalities in society.

Multi-ownership could also enable the early formation of households. Due to the availability of vacant dwellings owned by the parents, young households may be able to move into separate households as owner occupiers; and even in cases where they do not own the property, they should be able to save more since they do not pay rent, and as such should be able to purchase their own homes at an earlier age. Changes in the EHO age, therefore, may also affect household formation and demography.

Changes in the age of EHO could have far reaching results that are not always at the micro Hh level (like household economics), but also at the macro level (like macro economic vitalization). Furthermore, these relations are not necessarily one sided and are open to fluctuations in a market-based housing system.

In a recent speech, the Turkish Prime Minister's suggested families should have "three children", which would likely have strong repercussions on future EHO profiles in Turkey. In his speech, he stated:

> *"We should protect our young population … In an economy, the essence is the people. If there are people, then there is success. If there are not,*

> *then there is nothing. If you do not want our population to decrease, then every family should have three children."* [15]

This would necessitate not only opportunities for early employment, but also provisions for earlier entry into home ownership. Considering that the average family size is decreasing in Turkey, the Prime Minister's statement may be an attempt to reverse this tendency and bring about an increase in the population; but in doing so, not only the tenure pattern, but also the housing typology (number of rooms, dwelling types, sizes etc.) would be affected directly. In a study carried out in Germany and the Netherlands, the differences in the EHO process in the two countries were revealed to be primarily due to the different policy schemes of the two countries. The existence of subventions for households with children in Germany meant that the number of households with children who entered home ownership was higher than in the Netherlands (Mulder and Wagner, 1998).

Patterns of home ownership can have a major affect on global credit markets and banking systems. By promoting home ownership, not only are the amount and composition of new constructions influenced, but also the housing finance and banking systems are affected. The recent mortgage crisis in the United States is a good example of this. US President Obama recently announced a $75 billion lifeline for millions of Americans that were facing foreclosure on their homes, saying that the bailout was a drastic action to not only to save their homes, but to keep the housing crisis *"from wreaking even greater havoc"* on the broader national economy[16].

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[15] http://ntv.com.tr/news/438418.asp (Accessed on 30 May, 2008)

[16] http://news.yahoo.com/s/ap/20090219/ap_on_go_pr_wh/obama_home_foreclosures (accesed on 18.02.2009)

The hypothetical discussion reveals that a significant change in the average age of EHO may have the following macro and micro implications:

Economic implications: For increasing OO options in the housing stock, existing rented dwellings may be demolished and rebuilt or rehabilitated in order to make them suitable for OO. From an economic perspective, choosing the first option means growth in macro economics and a decrease in unemployment rates. The latter option, however, would help preserve natural resources through a more efficient use of the current housing stock. Additionally, rent levels and the price of OO could be affected.

Socio-cultural implications: Early ownership would facilitate multi-ownership and increased ownership rates through inheritance. This would put OO in a superior position while marginalizing renting. Social duality in society may occur.

Spatial implications: Spatial modifications in urban areas may lead to changes in housing typologies due to rebuilding and/or rehabilitation processes and the subsequent transformed urban fabric. This would also result in changes in living habits.

Before presenting the research arguments, it is necessary to raise some final points related to the processes of EHO in the case countries[17]. It can be seen from a comparison of the Hh formation processes in the two countries that in Turkey, people marry at relatively younger ages; that the share of young population is higher; and that marriage is still a pervasive institution. The number of entries into OO therefore is assumed to be higher than in the Netherlands, where the population is ageing, and where marriage has lost its significance and takes place at a relatively older age. This demographic feature of the Turkish population necessitates the construction of 500,000 dwelling units annually by

[17] See also Section 3.8.

private entrepreneurs in the absence of strong government regulation in housing. This is an enormous undertaking that would not be possible in many other countries without subventions. Given the contexts of the two countries, the number of entries into OO in the Netherlands is expected to be lower than in Turkey.

Secondly, it is necessary to discuss the spatial implications in the two case countries. The high number of entries into OO in Turkey should be considered together with large average size of Hhs and the cultural living habits in the country, such as three-generation Hhs (inmating). The number 500,000 represents a huge performance in terms of quantity, however the predominance of three-room dwellings meant that the housing stock was not sufficiently diversified. As Turkish families are not disinclined to having three generations living in one Hh, unlike in Dutch Hhs, mismatches in the housing stock are tolerated socially. However, this does represent a problem in terms of an inefficient use of housing stock that could amount to millions of dollars annually. In the Netherlands, the average Hh size is smaller, while the average dwelling size is larger, and as such the mismatches are opposite, but still represent inefficiencies in the housing market.

The discussion supports the argument that even minor changes in Hh circumstances could have major effects on certain factors of the process (See 3.8.2); and the relative significance of those implications may be revealed by analyzing the process of EHO. However, as the contributing factors are numerous, this thesis limits itself to an evaluation of the process primarily with respect to housing and household characteristics. The Hh makes choices in the housing market that influences the supply of housing; whereas available housing stock limits the choice of the household by offering particular dwelling types in terms of tenure and physical attributes. Therefore, in this study the process is examined in relation to households and housing stock characteristics; and in doing so will make it possible to employ the EHO process as a lever of manipulation when implementing housing policies.

1.2. RESEARCH ARGUMENT

As the above discussion indicates, the process of EHO is highly complex, and may bring about a variety of socio-economic and spatial repercussions. Home ownership is at the focal point of many different dynamics in the social, cultural, spatial and economic components of both households and administrations. Due to the numerous actors involved and its dynamic nature, this topic is embedded and highly complicated in nature, which provides a valuable opportunity for authorities and planners to control various sectors, enabling them to envisage appropriate policies for the achievement of efficient and desirable ends for both governments and households. By having a better understanding of the issue, it may be possible to attain Hh residential satisfaction, ease Hh economic concerns, provide societal well being, and ensure the preservation and efficient use of housing stock. An analyses of EHO could enable the monitoring of many distinct aspects of the housing system – such as household characteristics and housing features – which may encourage the construction sector, allow the devising of targets for the level and composition of the stock, promote laws on housing finance and urban development, induce spatial development, develop rent control criteria and influence house prices, to name but a few benefits.

The main hypothesis on which this thesis is grounded is derived from the fundamental arguments put forward in previous EHO literature, according to which EHO is influenced by several macro and micro factors that are subject to changes in space and time. Accordingly, this thesis argues that:

1. EHO is a multidimensional process. It is a critical dynamic in which the physical, economic and social worlds intersect. Directly or indirectly, EHO involves all of the socio-economic processes related to Hh and to the housing stock. Due to its embedded structure, EHO should be considered with all its multi-dimensional interrelations, rather than as a sole tenure category or state that can be described in simple terms. For this reason, it is important to investigate how EHO relates to a number of key factors.

2. The relevance of such interrelations within the EHO process may be different from country to country due to the unique socio-economics, cultural histories and spatial factors of each; and even within the same country due to the unique local conditions. It is for this reason that local and comparative studies are essential in this area of study.

3. EHO is affected both by *macro* conditions, such as inflation rates and housing policies; and by *micro* level attributes, such as Hh income and the age of the HHh. This thesis puts forward the argument that EHO can be explained by taking into account both macro and micro factors; as "solely macro" or "solely micro" level analyses of EHO will be incomplete and misleading. The macro and micro factors included in the study are derived firstly from previous EHO literature, and are then refined according to the current available data. As a result, for the purpose of this study macro factors cover demographic circumstances, housing stock attributes, legal frameworks and housing finance systems. Considering the available data for the two cases, the variables employed for the micro level study are: HHh age, Hh Size, Hh type, Hh income, construction year of the dwelling (age of the dwelling), dwelling size, number of rooms and dwelling type.

4. The analysis begins with a look at the factors affecting EHO, and how they relate to the economic, cultural, spatial and social outcomes. Consequently, the intention is to employ this EHO analysis as a means of monitoring housing systems and identifying problems and their implications in the case countries to achieve the satisfaction of both Hhs and administrations.

In accordance with the above arguments, the study aims to test the relative significance of the factors affecting EHO by making a comparative analysis of Turkey and the Netherlands. In doing so, the validity and the relevance of the arguments raised will be evaluated for both cases. The following questions form the primary axis of the dissertation:

I. What factors affect the process of entry into home ownership? Are these conditions common for Hhs entering to home ownership in both countries? (National level)

II. At what point is home ownership realized in the course of a Hh's life? What is the relative significance of the life-cycle events that influence EHO? (National level)
III. What factors trigger the decision to enter into home ownership? (Ankara/ROA case)
IV. What changes in the household and housing attributes are observed after EHO? Does EHO bring the expected benefits? (Ankara and ROA case)
The reason for the selection of these two countries for analysis is based on the distinct differences that exist between their housing systems (Table 1.2).

Table 1.2: Key features of Turkish and Dutch Housing systems

	Turkey	**The Netherlands**
Legal framework	Pro landlord	Pro tenant
Public rented stock	Not available	One of the largest stock in Europe
Ownership ratio	High (71.95 %, 2003)	Low (55 %, 2007)
Multi-ownership	Prevalent	Not prevalent
Private rented stock	Considerable ratio % of whole stock (HBS, 2003) 100 % of rented stock	Lower ratio 18.7 % of rented stock (WBO, 2002)
Mortgage law	Enacted in 2007, not satisfactory	Older, quite developed system
Prevalent housing ideology	Right (favouring OO) "Housing as a good"	Left (supporting renting) "Housing as a need"
Data on housing research	No specific housing data Not continuously available	Continuous and specific housing surveys available (previously WBO and KWA, currently WOON)

These particular countries have been selected to reveal divergences, rather than convergences, and in doing so the embeddedness and multi-dimensionality of EHO can clearly be defined. Table 1.2 shows that the housing systems of the two countries are at opposite ends of the scale; and it is argued therefore that the differences between the systems will lead to different EHO processes in the two countries.

1.3. METHODOLOGY, DATA AND CASES

The above discussions reveal the multidimensionality of EHO. Such a complicated process requires several levels of investigation, including cross tabulation, frequency tables, average values and employment of regression[18] for the factors hypothetically affecting EHO.

This thesis uses a comparison[19] of the EHO processes in Turkey and the Netherlands to reveal the disparities. The comparison is carried out at two levels and for two case groups: The first level is a national comparison between urban Turkey and urban Netherlands; while the second level is a comparison between Ankara and the Greater Amsterdam Region (ROA)[20]. Based on the assumption that entry to home ownership (EHO) is a matter of urban[21] life, and that the conditions in EHO processes in rural environs are very different to those in urban areas, this study is carried out only in the urban areas of Turkey and the Netherlands. In the cases of Ankara and ROA as well, this consideration is preserved.

For Turkey, the national level analysis references raw data from the Household Budget Survey (2003-HBS) of the Turkish Statistical Institute (TURKSTAT)[22]. Additionally, results of the Ankara Survey (2008) are employed, allowing a further EHO analysis that is not possible with the data of HBS. For the Netherlands, raw data from a Housing Demand

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[18] See 4.2 and 4.6 for further elaboration of the methodology.
[19] See 4.1 and 4.2 for detailed discussion.
[20] See 4.4 for a detailed discussion on cases.
[21] The definitions of 'Urban' in the two countries' statistics are different. In Turkey, there is only one urban and rural differentiation, which is determined according to population. However, in the Netherlands, the urbanization level is determined in five classes and is calculated according to addresses per km^2.
(2500 and more, 2500-1500, 1500-1000, 1000- 500 and less than 500) See also Appendix B.
[22] See 4.5 and Appendix B for details of the data.

Survey (WBO 2002) of the Ministry of Housing, Spatial Planning and the Environment (VROM) is employed.

Both are survey samples, and the analyses are carried out using the raw data of these survey studies. In the second level comparison of ROA and Ankara, more recent data from both WOON (Het Woononderzoek Nederland) (2006) and the Ankara Survey (2008) is employed.

1.4. POSSIBLE CONTRIBUTIONS AND DELIMITATIONS OF THE STUDY

The thesis promises to make significant contributions to the existing literature, yet it has limitations. Of the possible contributions, the first is related to the way home ownership is conceptualized as a means of manipulation. In Turkey, different tenure types have been studied in previous literature (Türel, 1996, on ownership; Balamir, 1975, 1996a, 1999, on private rental, flat ownership; Şenyapılı, 1998, 2004, on gecekondus[23]); while internationally, many studies have been carried out, particularly for Western countries (Mulder and Wagner, 1998; Clark, et al., 1994; Dieleman et al., 1994; Feijten and Mulder, 2002), and there have been several studies providing a comparison of European countries with the United States (Clark et al., 1997), Far East countries (Ronald, 2007) and in emerging markets like Turkey (Sarıoğlu, 2007a; 2008). However, the specific topic of home ownership has to date not been proposed as a medium for manipulating the dynamics of housing systems. This method of conceptualization makes it easier to deconstruct the whole into its composite parts, and examine, understand and evaluate the interrelations, and so allow the development of effective housing policies. Additionally, this thesis brings relevancy in its efforts towards the development of case-specific propositions, defining new concepts such as Entry to Home Ownership Profiles (EHOPs), like "inmating" in

[23] Gecekondu, literally "built overnight," are illegal houses that sprung up around Turkey's larger cities starting in the 1950s.

Turkey; "transfers without mortgage" in the Netherlands; and the EHO Index (EHOI).

The comparative nature of this thesis has the potential to provide further benefit. It is clear that one country cannot replicate another's experience; however, similarities do exist (Mango 2004: 249) from which generalities can be developed, and exchanges of experiences made possible. EHO is not only a socio-economic but also a spatial process, and as such comparisons of the relative housing systems make it possible to question the appropriateness of policies, and the outstanding attributes of the two systems (like rapid housing solutions provided by private developers in construction) may be distinguished. Similarly, a "dualised Dutch housing stock" in terms of tenure categories could be identified.

On the other hand, this comparison does have limitations in the methods that can be applied and in the data that can be utilized. The first limitation is the fact that the available data sets are not very appropriate for cross-country comparisons. Especially in the Turkish case, the available data is not specifically convenient for EHO research. If, for example, retrospective data from the same households were available in Turkey, the relation between Hhs and housing could be better traced. The deficiencies in the data sets, while leading to limitations, also point to a need for the generation of more appropriate data, especially for the Turkish case.

Another limitation arises from the possible spatial levels of the analysis: a comparative research could not be carried out for all spatial levels due to limitations in the available data. In the HBS, for instance, information is not provided for each municipal and/or neighbourhood boundary; but rather for provincial boundaries. As a result, the relevant spatial comparison levels in the study are considered to be between Turkey and

the Netherlands (in Urban areas only) at a national level; and between Ankara and ROA[24] at a metropolitan level.

In the absence of specific housing data, this thesis is focused on the development of a model that will employ the most convenient available data of the HBS of Turkey and the WBO for the Netherlands. Thus, this thesis aims to provide a model on which EHO research can be carried out using indirect data sources. It is important to note that the term "model" refers to a framework with which the process can be analyzed rather than employing simple statistical or mathematical models. In this study, the process is EHO and the framework includes several levels of investigation – historical analysis, descriptive comparison, case specific propositions, defining problems and an evaluation of policy implications.

1.5. PLAN OF THE STUDY

The first research argument of the study requires an initial examination of the relevance, and the social and economic implications of ownership in various countries, and the housing policies implemented which could affect EHO. Therefore, in **Chapter 2**, housing as a policy issue in various countries is discussed. Following the general housing discussion, which contains several country examples, the process of entry into ownership is examined in terms of the affecting factors. This literature survey, evaluating previous works and statistical studies carried out for different countries, will help to reveal the different processes followed in different countries, and will show the relative importance of contributing factors, while helping to generate/adapt research methodologies.

In accordance with the second research argument, stating that EHO is influenced by both macro and micro factors, in **Chapter 3** the Turkish and Dutch housing systems are analyzed from a historical perspective. Several descriptive statistical results for Turkey and the Netherlands

[24] See 4.4. for the details of the comparison.

regarding tenure structure, household and housing characteristics and housing finance are presented. Depending on this analysis, case specific propositions are developed, and the general hypotheses derived from previous works are discussed. This section also determines EHO profiles for the two countries, and as such provides data on the macro circumstances of the two countries for EHO. Before finalizing the requirements of the second argument (micro factors in EHO in the two countries), **Chapter 4** begins with a general discussion into housing theory, a comparative housing research and the methodological background of tenure studies. Drawing upon the results of the discussion, appropriate method(s), data sets to employ and cases to compare are described. The research questions are refined taking into account the findings of **Chapter 3**, while also defining the variables to be used, followed by a demonstration of the conceptual model. In **Chapter 5**, a descriptive study relating to the relative positions of OO and NOO in the two countries is carried out, which is further developed through an EHO analysis of Ankara and ROA. Finally, a logistic regression technique is employed to test the validity and the significance of the factors affecting EHO of households in Ankara and ROA. In this chapter, the requirements of the second argument of the study will be fulfilled.

As set out in the third research argument, and EHO analysis is employed to identify problems and policy implications. **Chapter 6** discusses the findings and evaluates the research outcomes of both levels of the comparison. Depending on the findings, problems that exist within the Dutch and Turkish housing systems are defined, and ideas for policy and design schemes are proposed that may resolve these problems. Finally, the contributions and limitations of the study and recommendations for further research are given.

This study has 3 Appendices. Appendix A provides a definition of a number of terms and acronyms in frequent use in the thesis. In Appendix B, details of the data employed for the Turkey/Netherlands and Ankara/ROA comparisons is given. In this appendix, the frequencies of basic variables are also provided. Appendix C offers a detailed example of housing benefits in the Netherlands.

CHAPTER 2

HOUSING AS A POLICY ISSUE AND FACTORS AFFECTING EHO

CHAPTER 2

HOUSING AS A POLICY ISSUE AND FACTORS AFFECTING EHO

Property ownership is not a contemporary issue. From the earliest times in history, ownership has been an important issue in social, cultural and economic life. Although today it is widely believed that property right is an outcome of liberal thought, it has in fact existed since the very earliest periods of civilization in different forms. As a result of changing political and philosophical views the conceptualization of property has changed over space and time, taking on different significances. Like any other institution, property is developed within time according to rules and regulations that have been put in place to regulate property-associated relations, and which have been modified over time. Today, modern capitalist societies tend to follow the liberalist view of property, which is that it is an absolute and natural right of human beings. It is generally accepted that the advantages of private ownership out-weight its disadvantages, and that through regulation, private ownership may be used to the benefit of both the individual and society[1]. These regulations generally take the form of property taxes to compensate the benefits of ownership, which are appropriated only by the owners, but are developed by society as a whole. In the contemporary era, and under the current property system, ambitions of Owner Occpation (OO) can be realized; however in a different system with a variety of options in terms

[1] Property is one of the key topics of discussion in many disciplines. However these go beyond the scope of this study, and as such the implications are only briefly touched upon.

of housing tenure and provision, the significance of home ownership could be totally different[2].

Although property has existed since the earliest times in history, it took on a whole new dimension with the advent of urbanization, being closely linked to housing and home ownership. In the next section, the economic and social implications of home ownership that gained impetus as a part of the urbanization processes are discussed.

2.1. FROM AGRICULTURAL TO URBAN SOCIETY: ECONOMIC AND SOCIAL IMPLICATIONS OF OWNERSHIP

Agricultural land was the most significant determinant of socio-economic relations in the pre-capitalist world. In modern capitalist societies, however, it is the urban plots that promise higher rents, and as such are more relevant, making them the focal point of property relations.

[2] In the current capitalist property system, ownership is considered generally as a "bundle of rights" including surface, productive, development, pecuniary, restrictive and disposal rights (CRP 341 Urban Economics Lecture notes). These rights as a whole provide control to the owner over the property for use, enjoying the property, transfer of rights to others or restricting others' use. When related to EHO process, the difference between possession and ownership is significant: Possession is a fact (Proudhon, 1993); is the actual enjoyment (Buckland and McNair, 1952). In this sense, the shareholder, tenant, farmer can be considered as possessors, whereas the owner who rents and lends, or the heirs who wait for the inheritance are *the only* proprietors (referring to the monopolistic powers of owners)[2] (Proudhon, 1993) (italics mine). This distinction is significant, because what makes home ownership a very special tenure lies primarily beneath this fact. The right to use and enjoy (which are parts of possession, and thus which are already available in tenancy) is not considered sufficient/satisfactory for people to feel secure and to build social relations with the property in which they live. Without having the right to sell and transfer, which are part of property, households do not have a feeling of belonging or a self moral responsibility to look after the property. This distinction forms one of the bases of the households in their tenure choice in the contemporary world.

2.1.1. Economic implications of ownership

As stated in British law, "Land extends upwards to infinity and downwards to the centre of the earth" (Lawson, 1958: 20). This means that land brings all the natural and physical capacities it has to its owner, and further in time, with infrastructure –transportation connections and increased development rights – these tend to increase. In other words, real property[3], comprising land or buildings as a distinct form of personal property (personality) is composed of natural capital, especially in agriculture, and the infrastructural capital (the buildings, infrastructure investments) required, being the intangible property created for the convenience of people in urban areas. Real property, as such, is a class of assets made up of land and buildings[4.] It worth noting, as argued by Ball (1983), that the subjects of property transactions are not the land and buildings themselves, but rather the interest in rights over land, which is a medium in which property rights subsist.

As such, it is not the physical existence of land and buildings that creates the well-known economic benefits of ownership, but rather the rights determined by property laws. This is worth bearing in mind, because the so-called inherent benefits of home ownership are "inherent" because of the existing property laws. Within alternative systems, ownership may or may not exist, or may not necessarily involve such benefits; yet given the current understanding of property and the associated laws and regulations in modern capitalist countries, ownership preserves a

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3 "real property" A Dictionary of Finance and Banking. Ed Jonathan Law and John Smullen. Oxford University Press, 2008. Oxford Reference Online. Oxford University Press. Orta Dogu Teknik University. 28 October 2008 <http://www.oxfordreference.com/views/ENTRY.html?subview=Main&entry=t20.e3123>

4 "real property" The Handbook of International Financial Terms. Peter Moles and Nicholas Terry. Oxford University Press 1997. Oxford Reference Online. Oxford University Press. Orta Dogu Teknik University. 28 October 2008 <http://www.oxfordreference.com/views/ENTRY.html?subview=Main&entry=t181.e6304>

significant position in shaping socio-economic relations. As Balchin et.al. (1995:99) state:

> *"The durability of property and the ability to separate ownership from use means that property is an ideal medium for investment"*

Taking the place of the powerful position of agricultural landlords in the pre-modern world, home owners benefit from the advantages of ownership in urban areas, where the most speculative returns are expected. The expected capital gains from a property that can only be appropriated[5] by home owners make it one of the most significant investment options. Therefore, by becoming home owners, households are not only satisfying their need for shelter, they are also making a significant investment. In an urban society, home owners benefit from value increases due to land use changes to a higher value, such as for residential or industrial use (Balchin et. al. 1995:111) or increased development rights on the urban plot. In addition to capital gains, home ownership also opens opportunities to rent the dwelling, through which periodic rents can be earned.

In the contemporary world, therefore, ownership is certainly an important economic entity; usually being associated with more power, economic advantages and the well-being of both individuals and society as a whole.

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[5] The owners' appropriation of the value increases from a property is one of the most popular and most discussed topics in literature, forming the basis of rent discussions of Marx (1967), Smith (The Wealth of Nations, First published in 1776, online accessed on 29 April. 2009 http://www.econlib.org/library/Smith/smWN.html) and Ricardo (1817 first publication, See reference list for copy 2004, online access on 29 April 2009, http://www.econlib.org/library/Ricardo/ricP.html). Existing literature is so diversified and detailed, and as such much of it falls out of the scope of the study. The major argument of the rent discussions however keeps it significance in modern societies as well: Only the landlord (Home owner) benefits from value increases (capital gains) in the land (dwelling), which creates inequity and social imbalance in society, while also making OO an attractive investment option.

2.1.2. Social implications of ownership

In addition to the economic benefits, home ownership has also social repercussions. In explaining these social relations, Gray (1982) argues that there are three major streams, being the Status Quo, Normative Marxist and Weberian views. The Status Quo, being an optimistic perspective, emphasizes only the benefits of owner occupation, and focuses on motivations such as "freedom of choice, security, mobility, pride, extra status and extra borrowing power" that ownership is argued to bring (Mulder and Wagner, 1998; Megbolugbe and Linneman, 1993; Merret, 1982). Such an extreme understanding results in an association of OO with individual and societal well being, having good citizens and better neighbourhoods. In contrast, the Normative Marxist view is that ownership produces social relations that sustain capitalism, and argues that its origins are in fact economic and political rather than individual and natural, in contrast to the Status Quo view (Gray, 1982). Many Marxists claim that home ownership creates fragments in society in the form of housing classes of home owners and tenants (Harvey, 1989a), leading to social conflicts in housing (Gray, 1982). The Weberian view, however, based on the concept of "housing class" developed by Rex and Moore (1967), claims that home ownership is actually between the positively privileged class of housing suppliers and the negatively privileged class of non-owners (Saunders, 1981). However, the three major approaches in fact "fetishise" OO as tenure according to Gray (1982).

As the above discussion reveals, home ownership has socio-economic repercussions in urban societies. In the modern world, several measures are taken to control the advantages and disadvantages of home ownership. As a result of economic, ideological and social concerns, the development of housing markets and the moves of households are subject to intervention in a number of ways that may be referred to as housing policies, at the very heart of which lies EHO. In the next section, examples of housing policies from a number of different countries are reviewed, revealing the complicated nature of housing systems and the significance of EHO in a housing system.

2.2. HOUSING AS A POLICY ISSUE: EXAMPLES FROM EUROPE AND USA

Following industrialization and urbanization, cities became centres of social life; and in order to satisfy the housing needs of the growing number of people seeking accommodation in the cities, various solutions were devised. Houses built either privately or by the state led to a significant growth in housing stocks, which were considered of great economic and social value in the estimations of both households and administrations: While the former attempts to improve its position among the available housing options, and thus makes moves of adjustment during their household careers, the latter attempts to control this valuable asset by implementing policies and attempting to lengthen the durability of the stock, so as not to waste national resources.

Consequently, relations within housing stocks became extremely complicated, leading to the emergence of more progressive legal, spatial and socio-economic arrangements. As a result, different forms of property relations emerged or were implemented that took into account urban plots and the buildings (houses, factories etc.) on them rather than agricultural land. Since relations in the urban arena are quite different to those in agriculture, comparatively new arrangements on both legal and institutional levels were needed, which eventually led to the development of such concepts as "housing tenure, flat ownership, public renting" etc.

"Tenure"[6] can be defined a**s "**the conditions under which land or buildings are held or occupied. The most frequent forms of housing tenure are **tenancy**, in which a rent is paid to a home owner; and **owner occupancy** where the home owner lives in their own housing unit.

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[6] tenure noun" The Oxford Dictionary of English (revised edition). Ed. Catherine Soanes and Angus Stevenson. Oxford University Press, 2005. Oxford Reference Online. Oxford University Press. Orta Dogu Teknik University. 30 October 2008 <http://www.oxfordreference.com/views/ENTRY.html?subview=Main&entry=t140.e79124>

The first example may also be referred to as leasehold or renting, and allows the transfer of the right of possession and use to the occupant (tenant, lessee), but not the rights of transfer, inheritance etc. Freehold (ownership), on the other hand, covers the rights of both possession and proprietas, however there may still be limitations, such as ownership for the duration of one's life (life-estate), or ownership for a particular period of time (long lease).

In the contemporary era, housing policies are implemented in order to balance supply and demand in housing. These housing policies, either implicitly or explicitly, include housing tenure, where governments try to promote one or another tenure category by developing and adopting different measures. Hhs, on the other hand, move within housing for adjustment. In the next section, several examples of Western housing systems are demonstrated, focusing primarily on "home ownership".

2.2.1. Socio-economic factors in EHO

Home ownership is a significant part of economic life, and is an important policy issue of governments and of a particular industrial sector that affects both governments and individuals. As stated by Harsman and Quigley (1991: 1):

> *"All developed countries have a housing problem of some form, and all nations, regardless of their orientation towards free markets or central planning, have adopted a variety of housing policies. The production, consumption, distribution, and location of dwellings are controlled, regulated and subsidized in complex ways. In fact, compared to other economic commodities, housing is perhaps the most tightly regulated of all consumer goods. "*

Historically, industrialization and urbanization processes have made it necessary to develop more specific arrangements and legislations in housing, leading to the emergence of distinct social and financial relations that may be referred to as "tenure types". Taking two main forms – tenancy and owner occupancy – tenure types are enhanced and diversified depending on different circumstances. There now exist numerous forms of tenure in different countries: leasehold, freehold, life-estate, flat ownership, public rental, private rental, owner-occupancy,

temporary ownership, institutionalized ownership, private ownership and joint-ownership, as well as unauthorized forms of housing, such as gecekondus[7] etc.

These tenure types have actually become so well established that in the contemporary era housing and the associated tenure types become inseparable from one another. Housing in a particular tenure category immediately takes on certain socio-economic relations and physical forms; for example, private rental dwellings have higher rents than public rented; and owner occupied dwellings are on the whole larger than rented properties etc. Therefore, as a primary element of planning, no housing policy can be developed without tenure type assignments. In other words, housing policies either implicitly or explicitly include housing tenure type assignments, where governments are promoting one or another tenure category by developing and adopting a number of different measures.

In a housing system, the relative positions of owner occupation and renting and the movements between them affect almost all other processes. This is due to the dialectic relation between the two tenure types: you are either an owner occupier or a renter. Although both are far removed from homelessness, in the housing market they act as the sole alternative tenure categories from which households make their housing choices. Therefore the dialectic tensions between the two interacting forces – the two tenure types – raise a number of significant economic and social implications. However, among the moves within tenure types "those from NOO to OO" gain further significance, as the

[7]The Gecekondu is accepted as a distinct tenure type, in the sense that it provides its occupant with use of the dwelling like an owner, but without paying rent, and for an uncertain period. The end of the process is not known; after demolition the occupiers may become either an authorized owner or, on rare occasions, homeless. This has been made possible as a result of several amnesties, through which gecekondu units were legalized and title deeds were registered. Without such amnesties, the process would not normally end up with the Hhs becoming owners, and thus would not be considered as another tenure type.

shift to OO is a difficult step that requires extra financial eligibility. It is this move that has arguably been the subject of most studies due to its many attributes, such as the sense of security and belonging OO instils, and its role as an investment commodity etc. There is a wealth of earlier literature that focuses on the move from rental to ownership (Clark, W. A. V., Deurloo, M. C., Dieleman F. M.[1997], Dieleman, F. M., and Everaers, P. C.J. [1994]; Mulder, C. H. and Wagner, M. [1998]), rather than moves in the opposite direction. Furthermore, there are a number of other studies that investigate how Hhs can move to OO and their affordability problems; as opposed to how Hhs may leave their own houses and move into rented accommodation.

For many Western countries the urbanization processes began in the 20th century, and subsequently discussions on "housing" as a part of property gained further significance. To control urban development and the "housing market", different means were developed (Türel, 1997), especially for meeting the housing needs of a newly established class of industrial workers, and improving the sanitation of towns through urbanization and industrialization. In this process, as a result of extensive debates about the provision and legislation of housing, distinct policies were developed and implemented by different countries that have since been subjected to modifications in the ensuing periods.

As categorized by Türel (1997), these policies can be listed as follows:

- *Demand-oriented policies, such as rent subsidies in housing finance;*
- *Supply-oriented policies, such as legislations in land use plans and credits for builders and construction material producers;*
- *Direct interventions, such as rent control, control over the price of goods and services related to housing.*

There may also be a direct provision of housing, either in rental or owner occupied sectors that may either be designed for a particular target group or for general use. By using different combinations of the above measures, governments have attempted to solve housing problems, and in this process, in line with the socio-economic and political processes experienced by each country, distinct housing policy profiles have been adopted in the past. As Blake and Nicol (2004: 17) claim, the historical perspective of housing development

> *"… focuses on chains of events, decisions made by individuals, families [households][8] groups and governments and how those decisions have shaped the built environment".*

In many West European countries, for instance, the immediate post-WWII period was characterized by housing shortages, which went hand in hand with the policies of 'tenure choice'. In most of these countries, state intervention was unavoidable in meeting the urgent housing need. Accelerated by the rise of welfare economies, the assignment of the state as the primary actor in the provision of housing was considered to be the most convenient option. In countries like the Netherlands and Germany, this meant an implicit tenure choice of renting. Supported by huge state subsidy programmes, the policy of public renting was extensively implemented in the Netherlands up until the 1990s, and in Germany a large private rental sector developed. Such countries fall in the group of unitary rental regimes according to Kemeny's (1995) terminology, in which the social rented sector is mature and may compete with the market rental sector without undermining social justice (Stephens, 2007).

In contrast, in the United States the effects of the war did not necessitate the solving of the housing problem through direct state intervention. The promotion of home ownership has been on the agenda in the United States since the end of WWII; with home ownership generally considered to be an essential part of the "American Dream." A single-family, owner-occupied dwelling unit is central to the American concept of a secure and successful life[9]. The promotion of home ownership in the United States was supported by several programmes and policies, including the federal tax code, Federal Housing Administration (FHA)

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[8] In the study of Blake and Nicol, rather than families, it is households that are taken as the basic smallest unit of the analysis of entry to home ownership, parenthesis mine. In all of the data sets employed in their study, the basic unit is households.

[9] http://www.jchs.harvard.edu/publications/home ownership/liho01-12.pdf (Accessed on 06.11.2008)

programmes, and the Clinton Administration's National Home Ownership Strategy. The mortgage system, which was primarily developed first in the United States, was later adopted by many European countries (Fabozzi, Modigliani and Ferri, 1998). The justification of the promotion of home ownership has been made on the claims that it is associated with a variety of social and economic benefits, both to individuals and to society as a whole.

The National Home Ownership Strategy in the United States (1995) includes the following statements:

- *Home ownership is a commitment to strengthening families and good citizenship.*
- *Home ownership enables people to have greater control and exercise more responsibility over their living environment.*
- *Home ownership is a commitment to community. Home ownership helps stabilize neighbourhoods and strengthen communities. It creates important local and individual incentives for maintaining and improving private property and public spaces*[10].

The ratio of home ownership in the United States today is 68.9 % [11], which is a relatively high figure when compared with other developed countries. As former US President G. W. Bush stated in 2002:

> *"… I believe owning something is a part of the American Dream, as well. I believe when somebody owns their own home, they're realizing the American Dream. They can say it's my home, it's nobody else's home."*[12]

[10]http://www.jchs.harvard.edu/publications/home ownership/liho01-12.pdf, p.5 (accessed on 06.11.2008)
[11] www.census.gov (Accessed on 06.11.2008)
[12] Remarks by the president on home ownership, at the Department of Housing and Urban Development Washington, D.C. June 18, 2002, 10:30 A.M. EDT, http://www.hud.gov/news/speeches/presremarks.cfm (Accessed on 06.11.2008)

This policy goal of promoting home ownership still preserves its position in US housing policies.

In the United Kingdom as well, following the Status Quo understanding, home ownership is clearly favoured among other forms of tenure, being considered as a "revolution which of necessity enlisted all those who were affected by it on the side of law and order and enrolled them in *a great army of good citizens*[13]" (Gray, 1982: 268). The 1953 White Paper on housing, from a similar standpoint, states that among all methods of saving, home ownership is the best, satisfying both the individual and the nation. In the later 1971 White Paper, home ownership is described as the "most rewarding" housing tenure, and is argued to be associated with the satisfaction of the household's basic desires, giving them more security and independent control (Gray, 1982: 268). The United Kingdom and other English-speaking countries are characterized by a dualist rental system in Kemeny's (1995) terminology, which is a significant social consequence of the residualization of poor households in social rented dwellings (Stephens, 2007).

In the relatively more developed countries, and in smaller nations like Switzerland and New Zealand, housing policies have developed differently (Davidson, 1999). Similar to the Anglo-Saxon trends, and under the affects of the neo-liberal movement of the 1980s, governments in New Zealand tried to promote OO, whereas Switzerland developed a tenure-neutral housing policy in which "the same income groups should have the same housing costs" was targeted. The promotion of home ownership in New Zealand was made possible by removing taxation of "capital gains" and "imputed rent". In Switzerland, taxation on OO was high as the administration was pursuing welfare housing policies.

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[13] Neville Chamberlain (British Conservative politician and Prime Minister of the United Kingdom from 1937 to 1940)'s words in interwar period. Italics mine.

Depending on different political and socio-economical circumstances, a variety of housing policies may be implemented. As housing is a very dynamic issue that requires continuous modification and innovative solutions in the system, the dominant policy schemes are altered in time to take into account the changing conditions. Although in Germany and the Netherlands the ratio of home ownership is lower and government intervention stronger, as Mulder and Wagner (1998: 688) claim, the similarity of tenure compositions in the two countries, private rental, being the largest sector in 1950, was altered in process, with primacy being preserved in Germany, but not in the Netherlands, where a basic policy change was observed within Dutch housing policy over a period of time. The extensive social housing policies implemented in the Netherlands eliminated the housing shortage by enlarging the stock by 3.5 times in the post-war period (Sarıoğlu, 2007a), but this placed a heavy burden on later governments (Boelhouwer, and van der Heijden, 1992) as economic justification for such a social housing policy was no longer plausible (Vrom, 1997). In line with these changing conditions, recent housing policy in the Netherlands has aimed at giving households a greater say in their tenure choices and the promotion of ownership, in contrast to the implementations of the post-war period (Heins, 2005).

As a result of these differing housing policies in the respective countries, distinctly different housing systems have emerged. The studies of Esping Andersen (1990), Barlow and Duncan (1994) and Kemeny (1981) are the most cited of the many available, categorizing housing systems according to different criteria, and the Netherlands has been one of the most studied countries, being representative of a welfare renter society with a high level of government intervention. Turkey was originally included only in the study of Donnison (1967), who categorized the country as "embryonic" in terms of its housing system. In Table 2.1, *Turkey* (in italics) is included with a personal interpretation.

Table 2.1: Classification of housing systems for different countries

Harvey (1994)	Donnison (1967)	Kemeny (1981)	Barlow and Duncon (1994)	Esping Andersen	Boelhouwer and van der Heijden (1992)
No Rights Greece Irelands Italy Spain *Turkey*	**Embryonic** Greece Portugal Turkey	**Home owning** Australia Canada UK USA *Turkey*	**Rudimentary** Greece Portugal Spain Italy (South) *Turkey*	**Social democratic** Sweden Scandinavian countries	**High degree of government involvement** The Netherlands (1945-1990), FRG (1945-1970s) France (1945-early 1970s) ,Belgium (1945-1980) England (1945-1970), Denmark (1945-1960s) Sweden (1945-1970s)
Direct or indirect Rights Belgium Denmark France Luxembourg	**Social** Belgium Ireland Switzerland UK, USA		**Liberal** Ireland UK USA	**Corporatist welfare states** Germany Austria Netherlands France	**Emphasis on housing quality** The Netherlands (1975-1990), FRG (1970s-1990) France (1970-1990s), Belgium (1950s- 1975, 1980-1990) England (1950s-1990),Denmark (1960s-1990) Sweden (1965-1990)
Portugal The Netherlands UK West Germany	**Comprehensive** Denmark France The Netherlands Norway Sweden West Germany	**Cost renting** Austria The Netherlands Sweden Switzerland West Germany	**Corporatist** Austria France Italy (North) West Germany	**Liberal** USA UK Canada Australia, New Zealand	**Emphasis on housing distribution** The Netherlands (early 1970s, late 1980s) FRG (1960-1970, 1975-1990) France (1975-1990), Belgium (1980-1990) England (1970s, 1980-1990), Denmark (1960s-1990)
			Social Democrat Denmark, The Netherlands,Sweden		**Reappearance of quantitative and or qualitative housing shortages** FRG (Late 1980s), France (1985-1990), Denmark (Late 1980s-1990)
	Source: Developed from Doling (1997:82).				

2.2.2. Demographic factors in EHO

As Coleman and Garssen (2002:434) denote, differences in the average demographic characteristics of countries reflect relevant contrasts in the way that their inhabitants live. In this sense, housing policies may differ due to the demographic characteristics, affecting not only tenure choice,

but also the needs of households. This topic appears on the agenda of the Economic Policy Group of the European Union:

- *The size of the EU population will fall from 376 million in 2000 to 364 million in 2050. Big declines will take place in Italy, Spain and Germany whereas increases are projected in France, Ireland, Luxembourg and the UK.*
- *The ratio of decrease in the EU population is 4 %. (2000-2050)*
- *In terms of young persons, in the EU, the number (aged between 0 and 14) will fall from 69 million in 2000 to 58 million in 2050 with a ratio of 16 %.*
- *The working-age population (aged between 15 and 64) will fall by some 20%, from 246 million in 2000 to 203 million in 2050*[14].

Housing policies will require modification if they are to address these demographic features. Due to the ageing population in the Netherlands, for instance, in order to address the needs of the elderly policies related to home care have been developed, by which personal budgets are allotted, which can be used to purchase services such as home help, special housing or transport, enabling the elderly to stay in their own homes longer, delaying their entry into institutional care. Independent agencies financed by the government determine whether an elderly person applying for long-term care should be placed in residential care or should remain in their own home, and if the latter, what community services will be required. This approach has proven to be very popular with the elderly and their families. These personal budgets should reduce the cost of caring for the elderly, as community care is cheaper than institutional care (such as nursing homes)[15]. Whether nursing homes are required or not affects the future use of the current housing resided in by the elderly in such countries.

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[14] http://ec.europa.eu/economy_finance/epc/documents/summary_en.pdf: p:3 (Accessed on 06.11.2008).

[15] David Carey, 2002.
"Coping with Population Ageing in the Netherlands,"
OECD Economics Department Working Papers 325, OECD Economics Department.

In summary, it can be stated that the socio-economic and demographic characteristics of a country and ideological and political contexts have an influence on the tenure choices of households; and differences in these factors will lead to different demands from households, as well as administrations, in housing. The socio-economic processes, demographic features and population figures in Turkey are somewhat different to those of developed countries, as can be seen when comparing their affects on the housing systems, as will be explained in the next section.

2.3. FACTORS AFFECTING THE MOVE TO HOME OWNERSHIP

In previous literature, the process of entry to home ownership has been studied on numerous occasions (Fejitsen and Mulder, 2002; Megbolugbe I. F., Linneman P.D. [1993]; Clark, W. A. V., Deurloo, M. C., Dieleman, F. M., [1997]; Dieleman, F. M., and Everaers, P. C.J. [1994]; Mulder, C. H. and Wagner, M., [1998] etc.) for different countries. In many of these studies, the factors that may hypothetically affect this process are similar and can be listed under four sub-headings: 1) household status, 2) characteristics of the housing stock, 3) socio-cultural factors, and 4) housing finance and external factors. Explanations of how these individual factors affect the move to home ownership are presented in the following sections.

2.3.1. Household attributes

Household attributes are influential in the tenure choice of households. As previous studies have revealed, the decision to enter into home ownership is closely linked with events in the family life-cycle (Fejitsen and Mulder, 2002; Megbolugbe I. F., Linneman P.D. [1993]; Clark, W. A. V., Deurloo, M. C., Dieleman, F. M., [1997]; Dieleman, F. M., and Everaers, P. C.J. [1994]; Doling, J. [1976]; Mulder, C. H. and Wagner, M., [1998]). A transition to home ownership can be realized under certain circumstances: When favourable changes occur in Hh status i.e. Hh size, Hh total income, number of earners, availability of resources and events in family life cycle (marriage, divorce, having children, deaths of spouse etc) occur, or when the expectations for such changes become definite. Generally speaking, stable Hhs with regular incomes prefer home ownership. As claimed by Fejitsen and Mulder (2002; 75), *housing events* serve to enable *Hh events,* which means that housing events are

instrumental in the Hh career. This is due to the *stress* that occurs when there is a discrepancy between the Hh requirements and the housing situation. In order to decrease this stress, Hhs modify their housing situation, preferably *prior* to changes in Hh composition.

The stability of a Hhs is associated with the level of commitment of the Hhs, commitment referring to anything in which people are engaged for a long period of time (Feijten, Mulder and Baizan, 2003). These commitments are not necessarily financial (income or interest rates, etc.) as they may also be related to the status of the Hh (marriage, childbirth etc.). Married couples and families with children are the most stable Hhs, as they have greater commitments and do not expect great changes to there Hh status in the short term. In contrast, single people and co-habiting couples prefer rental housing because of uncertainties in their future Hh career (Feijten et al., 2003). A comparison of commitment levels reveals that that single people are the least committed Hhs, followed by cohabiting couples, then married couples, then families with one child, and finally families with more than one child.

The **Financial status** of a Hh, which can be measured by in terms of "Number of earners", "Hh total income", and "availability of parental resources" etc. also influences moves from renting to ownership. Generally speaking, an increase in any of these financial features favours the transition to home ownership. However, Feijten and Mulder (2002) argue that housing finance involves both direct and indirect costs, the former covering the costs of the dwelling, land, financing (such as mortgages), maintenance, insurance taxes and transactions; while the latter relates to the risks inherent in home-buying, since the financial commitment cannot easily be undone once realized. This makes the transition to home ownership one of the most significant decisions of Hhs.

Age is perhaps the most relevant feature of a Hh, since it has an indirect affect on other Hh characteristics. Hh events like marriage and childbirth, which are closely linked to the timing of EHO, in general occur around certain ages. In addition, single people may expect different life conditions at different ages, while cohabiters become more committed to each other with age. Likewise, when the householder is

more advanced in years their choices for the future decrease, for instance it becomes harder to change profession, since some options close in line with the age factor. Therefore, the *age of the household head* can affect the transition to home ownership in a positive manner (Feijten et al. 2003), and can be used to trace life-cycle events in most cases.

Household size, as another Hh attribute, has a dual impact on the timing of moves into home-ownership (Dieleman and Everears, 1994). As the size of the Hh increases, the need for a larger house also increases, meaning higher rent. It is during this phase that most Hhs start consider a shift to ownership from the rental sector, as owning may amortize its costs in the long run. Increases in Hh size are also an indication that the stability and the level of commitment of the Hh are increasing, which has another positive association with a shift to ownership.

2.3.2. Housing stock

Housing stock is a significant determinant of EHO. The characteristics of the available housing stock can have an affect on the tenure choices of households, whether positively or negatively. Administrations tend to implement policies that target efficiency in the housing stock, and this is elaborated in the following section, while section 2.3.2.2 examines the affect of housing stock in EHO from the perspective of households.

2.3.2.1. Efficiency in the housing stock

Efficiency can be defined as the synchronization of the physical, technological and economic capacities of the housing stock, and the needs, preferences and incomes of households (Oğuz, 2003). The efficiency of a property can be measured in terms of its capacity to fulfil its function in terms of quality and quantity. For this reason, efficiency in the housing stock is one of the most important targets of housing policies. For optimum housing consumption, there should be no excess or unused capacity of stock i.e. the dwellings must be neither overcrowded, nor under-occupied.

To achieving an efficient housing stock, the capacity of households (Hh) to make moves of adjustment is the central condition, as if this is not achieved the system will eventually lead on the one hand to a waste of

resources; and on the other to unsatisfactory Hh-residence matchings. Inability of movement may be due to a lack of diversity in the *stock* in terms of dwelling and tenure types (composition of the stock), or the *Hhs* themselves, who are bound to particular types of tenures and thus do not make the necessary moves.

Tenure can also have a marked affect in the preservation of stock efficiency. As previous literature has revealed, home ownership is usually associated with immobility (Megbolugbe and Linneman, 1993; [Clark et al., 1997]), and evidence from these studies suggests that home owners are known to be less mobile when compared to renters, since they are more stable in terms of household status. Owner occupiers are not expected to move in the short term, as they have already made their adjustment moves (first move). However, in their life-cycles, households may again face instabilities as a result of changes in job/income, divorce, death of a spouse or the departure of offspring to form separate households. As a result of such events, households may need to move in order to adjust to new demands, such as a desire for less space, flexibility for further moving, new location concerns etc., and such moves may involve tenure changes from owning to renting (second move).

A move of adjustment does not necessarily mean a move from owning to renting. However, due to constraints in the housing stock, households may find appropriate dwellings only under particular tenure types. For example, if a household wants to live in a smaller dwelling unit, they may have to consider renting, since it is more likely they will find suitable properties in the rental stock. This is actually related to the composition of the stock, as discussed in 2.3.2.2.; yet the main point about tenure changes in stock efficiency is that households make the first move (upward – from renting to owning) easier than the second move (downward – from owning to renting).

There are several reasons for this; firstly, the difficulties a household faces prior to their first move, for example limitations of space in the unit, require more immediate adjustments when compared to the difficulties rising prior to their second move. In other words, households are more able to address the changing conditions that occur prior to the first move, and thus consider it as a need; whereas the second move is

assessed in most cases rather as an improvement of the situation, rather than something urgent. Secondly, the pressures arising prior to the first move are strengthened by the idea of becoming a home owner; yet for those moving from OO to NOO, the same is not true, in most cases. Furthermore, especially in countries that are culturally characterized by higher tendencies of home ownership, a change in conditions in household status and a subsequent return to rented accommodation may have little relevance. Even in cases of reverse mortgages, in which the household liquidates a large quantity of cash after a property sale, Hhs may still avoid the move to renting. This is due to the fact that once the household has become accustomed to a higher level of consumption in terms of space, facilities etc., it becomes difficult to revert to a lower level of consumption.

As a result, it can be said that home ownership may play a variety of roles in preserving stock efficiency; and as a result both central and local administrations develop policies aimed at controlling the efficiency of the housing stock, in which either directly or indirectly the process of entry into home ownership is one of the key elements.

2.3.2.2. Composition and quality of the housing stock

Another matter related to the efficiency of housing stock is the composition of the stock. If the market is mature in terms of tenure forms, for instance, or if policies have led to a stagnant market that prohibits Hh mobility, then entry into home ownership is affected as well. Balamir (1996c) argues that as production of housing is commodified (in Turkey), small dwelling units are discarded and small Hhs are discriminated against.

The effect of the composition of housing stock on entry into home ownership was addressed by Tu and Goldfinch (1996), who claim that decisions related to house purchases are made in two stages. The first stage relates to the selection of the *neighbourhood* and *housing type,* taking into account issues such as transport facilities, security of the neighbourhood, and the age, type and size of the dwelling unit, referred to as ”key components”. The second step concerns the identification of the most convenient dwelling unit in the pre-determined neighbourhood and the housing type established in the first step. This process continues

with the identification of non-key components, such as the availability of a garden, second bathroom, size of kitchen etc.

While the first stage is dependant mainly on total Hh income, the second is tied to the available stock. The order of these stages can change if the household's priorities are in non-key components, however the mentality is the same. Purchases made before gathering all supporting information will not bring the maximum utility; and so if the household acts rationally, if the full market information is not available, they will not buy the dwelling. Whether Hhs actually divide the process into two in reality has been questioned by the authors themselves, but nevertheless the model seems to explain at least 70 % of house purchasing behaviour. The characteristics of the housing stock then becomes a constraint in this transition. Even if the Hh has a strong desire to become a home owner, they may not be able to find a suitable dwelling unit in the housing stock, and since the purchase of a house is one of the most expensive and significant events in the life-cycle, they may delay their purchase accordingly.

This process reveals that tenure choice depends on the composition and quality of the stock, which is an outcome of the policies of the respective administration, and yet this choice is also influenced by the attitude of the Hh. As a result of housing policies, owner occupied and rented stock are developed which may not be evenly distributed in the urban arena, differentiated in terms of size and facilities. On average, owner occupied dwellings are larger, have more rooms and have more facilities, such as gardens, garage etc. Since OO generally begins when the Hh's commitment level increases, i.e. through marriage or childbirth, the dwellings they live in naturally tend to be larger to provide more space. The move to ownership in these cases has already realized in order to ensure sufficient space.

In addition, a household's attitude to different tenure types may have an affect on the quality of the housing stock. It has frequently been emphasized that owner occupiers are more likely to re-invest in their dwellings, and are also known to be more willing to engage in social

neighbourhood works (Mulder and Wagner, 1998; Fannie Mae[16], 1992; Megbolugbe and Linneman, 1993), and undertake more responsibility in this respect (Forest et al, 1990). Additionally, the amenity level of owner occupied houses and their surroundings are, generally speaking, better than with other types of housing stock, are located in better neighbourhoods, and feature garages, more rooms etc. (American Housing Survey, 1989[17]). Furthermore, it is a common belief that home owners are more willing to engage in social activities in their neighbourhood, and are more likely to interact with their neighbours. In a study the United States Department of Housing and Urban Development (HUD) in 1982,[18] home ownership was found to have a positive affect on participation in local social works. The sense of belonging that owner occupation brings to its owner may compel households to be more protective of their dwellings and their surroundings. Since owner occupancy is one of the most expensive purchases in a Hh's life-cycle, they tend to take care of it and try to extend the utilization life through upkeep and maintenance.

These arguments indicate strongly that households take a positive view of owner occupied dwellings and their surroundings. Thus, these "widely believed and accepted" physical differences in quality between two tenure types lead to positive externalities for owner occupation.

2.3.3. Socio-cultural factors

Cultural factors also play a role in perceiving the benefits of both tenure categories. In previous literature it has been claimed that home ownership provides **security** and a sense of **belonging**, **status** and **social prestige** to Hhs in society (Mayer, 1973). The property institution developed under Roman law, which has been re-adopted in modern capitalist societies, presented home ownership as an asset that is of great

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[16] The original study is "FannieMae (1992) *FannieMae National Housing Survey*. Washington DC: FannieMae." It was cited in Megbolugbe and Linneman (1993).

[17] This finding is cited in Megbolugbe and Linneman, 1993. The original data is not processed by the author herself.

[18] The original study, 1991 "Report of the President's Commission on Housing, 1982" is not accessible online. It was cited in the study of Megbolugbe and Linneman (1993).

value in the estimation of Hhs, and as such has a social meaning rather than just being a form of tenure with investment value. Hhs devote their savings unreservedly in pursuit of home ownership. What makes this form of tenure so special is that it is an investment commodity that provides status and prestige to its owners in society, provides physiological security and empowers the owner with control of the property (Mulder and Wagner, 1998**;** Megbolugbe and Linneman, 1993).

As Merret (1982) argues, the comparison between tenant and owner is, in fact, quite different from being a comparison between a homeless person and one who owns something very valuable. Merret states that both tenures are better than being homeless, and that further they both provide some form of possession to the household. However, households associate ownership with such emotions as security and status, and thus favour it over tenancy. This view is also discussed by Kemeny (1981), who says that the primacy of ownership over tenancy is valid only for the Anglo Saxon, English-speaking countries (United States, Canada, United Kingdom and New Zealand) and must not be generalized as a universal aim of households. He describes Germany, Sweden, Switzerland and the Netherlands of the 1980s as cost-renting societies, rather than Anglo Saxon home owning societies. These countries offer another type of tenure that is underdeveloped or absent from home owning societies: the co-operative tenure, in addition to the basic tenure types, namely home ownership, public (or "cost") renting, and private (or "profit") renting in the English-speaking countries.

Similarly, in the study of Börsch- Supan (1985) it was stated that perceived the benefits of home ownership may change for different countries. The American dream of home ownership was found not to be shared by German households; in countries where public housing occupies a large proportion of the stock, like Germany (Mulder and Wagner, 1998) and Switzerland (Werczberger, 1997) households may not be as willing to consider EHO as people in countries with high home ownership ratios, such as the United States, where the home ownership rate is 68 % (Clark, Deurloo, and Dieleman, 1997). This is also true for Turkey, where the total home ownership rate is more than 70 % (2003). These examples demonstrate that the tenure preference of households may depend on the cultural and social characteristics of the country in

which they live, in addition to the economic conditions, the implemented policies and the household characteristics.

Cultural factors, such as language, may also play a key role in the expressions of desire for home ownership (Gurney, 1999). Gurney (1999) follows the arguments of Foucault (1970), who emphasizes the significant role of language and discourse in social relations in establishing symbolic positions and behaviours among the groups of people in his study. Gurney (1999) says that the very term "home ownership" rather than "house-ownership" in English emphasizes the fact that Hhs consider home ownership to be more than the possession of an ordinary asset, as they equate it rather with a necessary condition for social life as a Hh. This shows that discourses in language may create or indicate biased evaluations of tenures in society. In his survey carried out in Bristol, ownership was found to be associated with the worthy, good and prudent; while tenancy was said to be the domain of the feckless, bad and prodigal among households. He provided a list of aphorisms in English favouring ownership over tenancy to support his arguments:

- *An Englishman's home is his castle.*
- *It's yours at the end the day.*
- *If it's yours, you can do more to it.*
- *It's an investment for the future.*
- *Renting is just money down the drain.*
- *Renting is just dead money.*

He concludes that the understanding of home ownership can be metaphorically developed around aphorisms. Furthermore, the shared culture of rhetoric can positively associate home-ownership with a moral responsibility to look after property; and negative discourses on tenancy, like profligacy and waste, can socially construct a tenure prejudice against renting.

The social meanings of tenure types may depend upon the types of tenure available within a country or locality. In several countries, governments offer more then three types of tenure, thus decreasing ambitions associated with certain tenure types, and increasing options available in the market. In Sweden for instance, Thallmann and Cuennet state that the policy of "temporary ownership," which lasts for 30 years,

as an alternative in the housing system may decrease OO ambitions (Thalmann and Cuennet. 2000).

In the Netherlands also, administrations developed different tenure types. Elsinga (2005) highlighted two further tenure categories in the Netherlands other than the renting and OO: Shared ownership (koophuur) and community-linked Ownership (MGE) (Maatschappelijk Gebonden Eigendom). These tenure types offer distinct rights and involve a variety of risks for the occupant, but are argued to enhance consumer choice and help to realize housing for all (Elsinga, 2005).

2.3.3. Housing Finance and External Factors

The ability to purchase a home is strongly related to the financial status not only of the households themselves, but also of the respective administrations. These can be referred to as external factors, since they are independent of the will of Hhs, and may or may not exist according to an administration's policy scheme. An administration's fiscal or non-fiscal policies towards subsidizing a particular tenure type may have significant effects; and in this sense, the availability of a successful housing finance system, such as mortgages, low interest rates on bank credits or favourable taxes on real estate, may influence strongly the tenure choices of households. However, if no such policies exist, home ownership may not be accessible to all households, even if they have the desire.

In an OECD study[19] it was stated that young households often face difficulties in entering the housing market, putting forward the example of rent control as potentially problematic: When trying to protect incumbent renters the rental housing supply is reduced for new entrants, and inevitably results in the rationing of rental properties. Similarly, incentives that disregard new entrants may drive house prices up. According to Bovenberg (2007):

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[19] http://www.oecd.org/dataoecd/17/22/38614059.pdf (p.15) (accessed on 06.11.2008)

> *"High house prices reallocate resources from young households who have not entered the housing market towards older incumbents. Imperfect capital markets that prevent young households with insecure jobs from taking out mortgages add to the strain experienced by youngsters. The difficulty of entering the labour and housing markets discourages young people from starting a family. This lengthens the period of social adolescence, thereby postponing the establishment of a durable relationship and parenthood." (p. 15)*

Previous literature has mentioned that the ownership of property is considered as an investment commodity in almost every economy, and thus is one of the primary elements in Hh economics **(**Megbolugbe and Linneman, 1993; Plaut, 1987), and Hhs consider OO as a means of protecting savings against inflation. Particularly in developing countries, where insurance systems have not developed properly or where inflationist trends are prevalent, the investment value of home ownership stands out among other values, and as a result, Hhs consider property as a safe haven against future ambiguities. In a FannieMae study (1992), 80 % of American households considered home ownership as an investment commodity, and this feature of home ownership undoubtedly increases the complexity of the issue. However, this argument is questioned by Harding et. al (2007) who state that:

> *"Deeply entrenched folklore has also long held that owning a home is one of the most effective investments a family can make. Our estimates indicate that after controlling for depreciation and maintenance, home ownership was basically a breakeven investment for the typical homeowner over the 1983 to 2001 period. This result is well below what advocates of home ownership might hope for." (p.213)*

Therefore, the investment value of home ownership may be a misconception among householders, who consider only the purchase price rather than continuing expenses when weighing up the benefits of OO. Excluding multi-owners, home ownership may not bring the expected returns when the depreciation of the property and maintenance costs are included.

Inflation is a significant indicator in assigning an investment value to owner occupation; however it has two contradictory effects on the move to home ownership (Priemus, 1989). On the one hand it increases the entry costs of home ownership; while at the same time increasing the incentive to use home ownership as a safe haven against price inflation. In the former case, Hhs are expected to delay their purchase, while for the latter, Hhs may think positively about ownership and devote their resources in that direction.

Future ambiguities are not only created by inflation, as risks related to employment also play a significant role. As Munro (2000) claims, the perceived risks in buying a home may be different from household to household, depending on the labour market conditions of the occupiers. In Munro's study, risks in the labour market were found to be influential in the decision to move into home ownership. The author investigated the behaviour of purchasers when buying a home with respect to four categories of labour market insecurities. The first group is Pragmatic Optimists, for whom buying a home is associated more with demographic factors and income rather than labour market insecurities. However this demographic believe that the risks associated with the labour market are very significant and act accordingly. The second group is Responsive Pessimists, who can be defined as rational decision makers – those who care about the risks in the labour market and take them into consideration when buying a home. The third group is Fatalists, who make purchases without considering the risks in the labour market. This group of households likes to take risks and can live with high ambiguities. The fourth group is given the name "Belt and Braces" by Munro, and comprises households who, even when their positions in the labour market are secure, prefer to live with minimum risks.

Table 2.2: Risk avoidance and labour market insecurity

	Risk avoidance strategies		
		Low	**High**
Perceived labour-market insecurity	**High**	Fatalist	Responsive Pessimist
	Low	Pragmatic Optimist	"Belt and Braces"

Reference: Munro, 2000, p.1382

These external factors may be quite distinct for different countries and for different time periods, which makes analyzing the effects difficult; however several broad associations can be seen between inflation ratios, tax rates, interest rates and transitions to owner occupation. Likewise, income and/or job-related ambiguities may make Hhs develop different strategies to avoid risk, and thus may influence their move to home ownership.

2.4. CONCLUSIONS

As these discussions reveal, although property ownership is not a contemporary issue, the subject gained new dimensions alongside the processes of industrialization and urbanization. As more and more people sought accommodation in cities, administrations in the more advanced nations developed housing policies; with the provision of a rental sector and the development of EHO policies constituting a considerable part, and indeed lying at the very core, of these policies.
As one of the most significant processes in housing systems, EHO involves the interaction of numerous factors at both macro and micro levels. This embedded structure makes the process of EHO complicated, while also providing an opportunity for planners to develop effective housing policies.

In the next section, Chapter 3, the housing systems in Turkey and the Netherlands are examined in terms of the factors affecting EHO. This comparison is primarily at a macro level, but to be complete and coherent, it requires several other levels of investigation, which are addressed in Chapter 5.

CHAPTER 3

HOUSING SYSTEMS IN TURKEY AND THE NETHERLANDS: A CONTEXTUAL COMPARISON

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Housing is a significant attribute in the socio-economic performance of any country; and the effects of policies implemented in line with socio-cultural, economic and urbanization processes on the housing stock can be wide ranging. In Turkey, under the effects of rapid urbanization, it was a free market processes with almost no state intervention that was predominant (Sarıoğlu, et. al, 2007) while the country was experiencing a rapid population increase, and a subsequent massive migration from rural to urban areas. However, housing as a policy issue has barely been considered by administrations in the past, who offered no social housing; implemented no subsidy systems, such as housing benefit; and did little to assist the development of a housing finance system (until 2007). On the back of an unstable macro economy that brought decades of high inflation, owner occupancy (owner occupier) emerged as the dominant tenure type, accounting for 64 % of the housing stock in Turkey, followed by private rental at 28.04 % (Sarıoğlu, 2007a). When offered up for comparison, these figures give a clear indication that the housing system in Turkey has developed somewhat differently to those of developed countries.

In order to understand the peculiarities of Turkey's housing system and the underlying reasons behind them, it may be beneficial to analyze the processes of household (Hh) formation under the Turkish and Dutch housing systems and housing stock development as the primary processes. According to Myers (1990:5), it is puzzling why demography and housing have remained disconnected from analyses for so long. Coleman and Garssen (2002:434) support this view, claiming that differences in the average demographic characteristics of countries reflect the contrasts in the way that their inhabitants live. If analyzed simultaneously with respect to the population and the characteristics of housing, the whole can be deconstructed into its composite parts, and

the peculiarities of the Turkish and Dutch housing systems can be revealed.

3.1. POPULATION AND DEMOGRAPHIC ATTRIBUTES IN THE TWO COUNTRIES

In this section, the demographic characteristics of the two countries are examined, since the choices of housing tenure can be expected to differ accordingly.

3.1.2. Total population and population growth

The populations of the two countries bear significantly different attributes. To begin with, the Turkish population is comparatively higher than Western countries[1]. Since the foundation of the Republic in 1923, the Turkish population has increased more than five times, passing the 70 million mark in 2007. The Netherlands, on the other hand, has a relatively small population, which can be understood from the available figures of 1927 and 2007 to have increased from 7.5 to 16.3 million. The current population of the Netherlands is only 2 million more than the Turkish population in 1927, and these differences in population have undoubtedly had a significant effect on the provision of housing.

[1] http://ocde.p4.siteinternet.com/publications/doifiles/01-01-01t1.xls (accessed on 16.12.2008)

Table 3.1: Total population figures, Turkey – The Netherlands (1927-2007)[2]		
	Turkey	**The Netherlands**
1927	13,648,270	7522 (x 1000)
1935	16,158,018	8392 (x 1000)
1940	17,820,950	8834 (x 1000)
1945	18,790,174	9220 (x 1000)
1950	20,947,188	10,026,773
1955	24,064,763	10,680,023
1960	27,754,820	11,417,254
1965	31,391,421	12,212,269
1970	35,605,176	12,957,621
1975	40,347,719	13,599,092
1980	44,736,957	14,091,014
1985	50,664,458	14,453,833
1990	56,473,035	14,892,574
2000	67,803,927	15,424,122
2007	70,586,256	15,863,950
Source: www.tuik.gov.tr (Accessed on 11.03.2008) *www.cbs.nl (Accessed on 11.12.2008)* *http://statline.cbs.nl/StatWeb/publication/?DM=SLEN&PA=37556ENG&D1=3,45-46,49-50,53-60,178,184,187,192-194&D2=28,36,41,46,51,56,61,66,71,76,81,86,91,96,101,106,108&LA=EN&HDR=G1&STB=T&VW=T*		

It is not only the total figures, but also the population increases in the two countries that show divergences. In the same 1927–2007 period, the Dutch population doubled, which is a comparatively modest increase for such a long period, while the Turkish population increased more than

[2] Figures are from http://www.tuik.gov.tr/PreTablo.do?tb_id=39&ust_id=11 and http://statline.cbs.nl/StatWeb/publication/?VW=T&DM=SLEN&PA=37296eng&D1=0-2,57,59-60,63-64,67&D2=a,!0-39&HD=081215-0936&LA=EN&HDR=T&STB=G1 respectively, (accessed on 15.12.2008)
Earliest Turkish population figures go back to 1927, and population censuses are avaliable for every 5 years after 1935. On this account, same initial point and periods have been chosen for the Dutch case as well.

five times. These population differences have imposed different demands on the housing stocks of the two countries, with demand in Turkey being significantly more than that of the Netherlands.

In the same period, the urbanization level of Turkey also changed dramatically, turning into a 70.5 % *urban* country, after starting out as a 75 % *rural* country[3]. Migration figures further support the rapid urbanization experienced by Turkey, as the ratio of the population migrating to the urban centres accounted for almost 13 % of the total urban population in the 1975–2000 period (Table 3.2).

Table 3.2: Migrating population in Turkey by place of residence, percentages and ratios

	% of migrations to cities of total migrations	% of migrations to villages of total migrations	Ratio of migrated population (to city) to urban population*
1975–1980	65.92	34.08	0.13
1980–1985	78.71	21.29	0.13
1985–1990	80.13	19.87	0.14
1995–2000	75.26	24.74	0.13
*this ratio is derived by dividing the migrated population (to cities) by the urban population average of the period e.g. (population of 1975+1980)/2			
Source: www.tuik.gov.tr (Accessed on 11.03.2008)			

Urbanization in the Dutch case continued for a longer period than in Turkey. In the Netherlands, rather than migration from rural to urban areas, it has been migration from abroad that has been the most notable. The group of elder ethnic minorities, for instance, is a policy target group of the Ministry of Housing, Spatial Planning and the Environment[4].

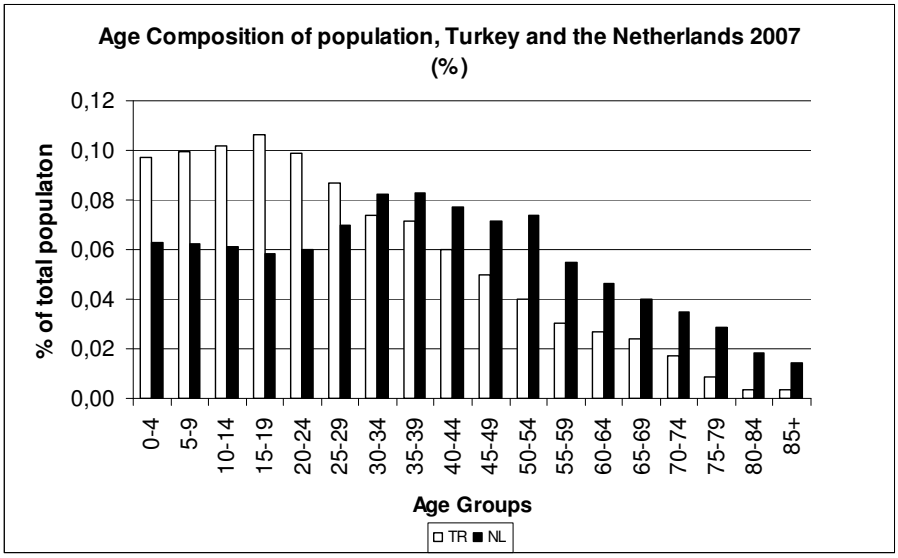
[3] Processed from www.tuik.gov.tr
[4] http://www.vrom.nl/pagina.html?id=37436 (accessed on 20.02.2009)

Table 3.3: Population Increase and net migration figures for the Netherlands, (1955-2007)			
	Population Increase	Net migration	% of net migration in population increase
1955	653250	-5,198	-0,80
1960	737231	-12,819	-1,74
1965	795015	18,764	2,36
1970	745352	33,454	4,49
1975	641471	72,055	11,23
1980	491922	50,556	10,28
1985	362819	19,887	5,48
1990	438741	48,411	11,03
1995	531548	13,904	2,62
2000	439828	53,873	12,25
2006	470260	-31,320	-0,67
2007	23782	-5,757	-24,21
2008	47407		0,80
Source: Developed from www.cbs.nl (Accessed on 11.12.2008) http://statline.cbs.nl/StatWeb/publication/?DM=SLEN&PA=37556ENG&D1=3,45-46,49-50,53-60,178,184,187,192-194&D2=28,36,41,46,51,56,61,66,71,76,81,86,91,96,101,106,108&LA=EN&HDR=G1&STB=T&VW=T			

3.1.3. Composition of the populations by Age Group

The age composition of the two populations reveals that although the Netherlands has been cited as different to the European average (Coleman and Garssen, 2002) the figures are closer to European averages than Turkish averages.

Figure 3.1: Age composition of the population, Turkey and the Netherlands (2007)



Source: www.tuik.gov.tr, www.cbs.nl

Turkey is characterized with a young population, with 26.4 % of the population younger than 15 (2007), however, this trend is on the decrease, as the same figure was 41.4 % in 1935 and 29.7 % in 2000figure, meaning that the Turkish population is in fact getting older. The Netherlands, on the other hand, experienced this trend in its population earlier, and now has a relatively older population: Only 24 % of its population is now younger than 20, compared to 38 % in 1935, 25.6 % in 1990 and 24.4 % in 2000.

The age composition of a population can allow a prediction of future housing demand, including tenure choice, preferences in type and size of the dwellings etc. Such figures need to be analyzed taking into account a number of other factors, since, contrary to previous literature, a younger population does not necessarily imply a higher ratio of renters (as in the Turkish case), while an older population does not always favour ownership (as in the Netherlands).

3.1.4. Household formation

Another difference between the two populations can be observed in their respective Hh formations. Individual Hh formations start at a younger age in the Netherlands, which may be linked to the higher GDP per capita[5] and the prevalent individualistic lifestyle. As Coleman and Garssen (2002) state, marriage without cohabitation is extremely rare in the Netherlands, and more than half of the people leaving home for the first time move into single-person Hhs before entering partnerships. Additionally, Hhs made up of three generations of family are extremely rare in the Netherlands, supporting the argument of Coleman and Garssen (2002: 454) that the Dutch seem to be disinclined to economize on space by living with their relatives, or indeed with anyone else. In contrast, cohabitation before marriage is very rare in Turkey[6], and is almost non-existent in rural areas; while single person Hhs are almost exclusively people who have migrated to the city for university or work. For those living in their home city, generally speaking, separate single person Hhs are rare, even for those over 30; while three-generation Hhs are fairly common, especially in rural areas, increasing the average Hh size in Turkey. Although, the ratio of people aged ≤ 24 in the whole population is 50.30 %[7], only 1 % form separate private Hhs in Turkey, which is a later stage in life than in most European countries, where after the age of 18 it is common for a person form a private Hh, regardless of education and/or marriage (Sarıoğlu et. al, 2007).

That said, Turkish people on average marry at a younger age: The average ages at which Turkish people marry for the first time is 26.10 for men and 22.80 for women[8], compared to 36.30 and 33.20[9] in the

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[5] Priemus (2001b:278) denotes that economic growth boosts separate household formation and when the economy is growing, individual members in a household could have adequate income to secure a dwelling in the housing market and to start a household of their own.

[6] Of the 25,764 households in the HBS 2003, only eight were cohabiting couples.

[7] 2000 Population Census, www.tuik.gov.tr (accessed on 06.11.2008)

[8] http://www.tuik.gov.tr/PreHaberBultenleri.do?id=519 (accessed on 23.March.2009)

Netherlands, respectively. The dispersal of a Hh in Turkey are quite different, where marriage is still one of the strongest social bonds in Turkish society and is still positively assessed as an institution. In 2006, the divorce rate for Turkey was only 1.28 ‰[10], compared to 9.2 ‰[11] in the Netherlands, which also accounts for the high ratio of single parent Hhs in the Netherlands, numbering 466,000 in 2008. Since 1995, the number of single parent Hhs has increased by 30 %, and is estimated to reach 494,000 in 2016[12].

The fact that Turkish people form private Hhs at a later stage in life may lead to subsequent ownership later in life than in the Netherlands. Yet, if Hh formation is mostly due to marriage, which is the usual case in Turkey, it also may trigger EHO since marriage is one of the most common triggers of EHO. In terms of the affect on the housing stock, this characteristic may imply that in Turkey, when beginning their Hh career, the householder may have already reached the stage and stability at which it would be appropriate to purchase a property rather than enter the rental sector. This tendency in Turkey may indicate the cultural significance of the ownership tenure in the estimation of Hhs, as well as their immobile character due to several barriers, such as limitations in stock, financial burdens of transaction costs etc.

For the Netherlands, however, marriage cannot be said to have a direct influence on EHO, as Hh formation is not necessarily dependant on marriage (which includes many positive features for ownership, such as increased commitment and stability levels, having children etc). There is

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[9] www.cbs.nl Marriages and partnership registrations; key figures (Accessed at 11.12.2008)

[10] http://www.tuik.gov.tr/PreHaberBultenleri.do?id=519 (Accessed in 23 June, 2008).) This ratio is called rough divorce rate (*Kaba boşanma hızı*) and refers to the number of divorces in 1000 population for a given year.

[11] www.cbs.nl (Accessed 11.12.2008).

[12]http://www.cbs.nl/en-GB/menu/themas/bevolking/publicaties/artikelen/archief/2008/2008-2546-wm.htm (Accessed on 15.12.2008)

a period of time during which Dutch Hhs prefer to be mobile due to their unstable Hh attributes; and this characteristic has repercussions on tenure choice. No matter their income, for this group of Hhs renting would be a better option for a period of time, which can be argued to be longer than in Turkey, since the average marrying age is higher and private Hh formation earlier in the Netherlands. The general Hh formation process in the Netherlands, therefore, follows a trend of "first renting, then owning". In Turkey, as a result of the dominancy of Hh formation due to marriage, housing careers may begin with ownership in many cases, and whenever possible.

3.1.5. Number of Households and average household size

Rather than population figures, the number of Hhs could provide better insights in the EHO process. In Turkey, although the population is over 70 million (2007), the number of Hhs is currently around 15 million (2000)[13]; while in the Netherlands, where the population is only around 16 million, there are almost 7.2 million (2007) Hhs. Accordingly, the significant dissimilarities in Hh size and demographics between the two countries can be comprehended, and these differences have obvious reflections on the respective housing systems.

Table 3.4: Number of households and average Hh size, Turkey, The Netherlands (1955-2007)

	Turkey			**The Netherlands**	
	Total number of households	**Urban Hhs**	**Average Hh size**	**Total number of households (x 1000)**	**Average Hh size**
1955	4,237,176	6,927,343	5.67	2 848	3.93
1960	4,885,325	8,859,731	5,68	3 171	3.71
1965	5,536,116	10,805,817	5,67	3 508	3.45
1970	6,261,949	13,691,101	5,69	3 986	3.21
1975	6,982,505	16,869,068	5,78	4 561	2.95
1980	8,522,499	19,645,007	5,25	5 006	2.78
1985	9730018	26,865,757	5,21	5 613	2.54

[13] http://www.tuik.gov.tr/VeriBilgi.do?tb_id=39&ust_id=11 (accessed at 27.June. 2008)

1990	11,188,636	33,326,351	5,05	6 061	2.42
2000	15,070,093	44,006,274	4,50	6 469	2.30
2008	NIA	NIA	NIA	6 801	2.24

Note. The Turkish data on the total household population have not been tabulated for the years before 1975. For that reason, the average size of households have been calculated by total population for these years. www. tuik.gov.tr (accessed 22. 07.2008)
Urban and rural figures are derived from total number of households and urban and rural ratios
NIA: No information available. For number of households the most recent data comes from 2000 population census.

The differences in Hh size are also apparent when the number of Hhs in the two countries are assessed taking into account the total population figures. In terms of Hh size, Turkey is characterized by large Hhs, however the figures of previous years reveal that the average Hh size is on the decrease. In 2003, the results of the Household Budget Survey (HBS) demonstrated that the average Hh size in urban areas is even smaller, at four, and one-person Hhs comprise only 3.9 % of the urban population, however these figures are still high when compared to Western countries.

The large Hh size in Turkey mainly stems from the large number of children and the frequency at which three-generation Hhs (15 %) can be found in one dwelling, even in urban areas. However, Hh sizes are on the decrease due to increases in the ratio of single-person Hhs and decreases in the large number of three-generation Hhs, especially in urban Turkey. A large Hh size generally indicates high stability and commitment levels, which positively affect entry to home ownership (EHO), which is equally valid for Turkey. Furthermore, it is expected that the stock in Turkey should feature larger dwellings with more rooms to meet the needs of Hhs (Sarıoğlu et al. 2007).
In the Netherlands, the average Hh size is smaller, decreasing gradually from 3.93 in 1955, to 2.24 in 2008. These figures are strongly related with the high ratio of single-person Hhs (35 % in 2007)[14] and the almost

[14]http://statline.cbs.nl/StatWeb/publication/?DM=SLEN&PA=37312eng&D1=4-8,32-36,41,46&D2=0,5,10,l&LA=EN&HDR=T&STB=G1&VW=T (Accessed on 15.12.2008)

total absence of three-generation Hhs. In terms of tenure choice, the small Hh size may indicate on the one hand dissolved marriages, and therefore less stability and less need for space etc., which may lead to a preference for renting; while, on the other hand, may indicate married couples with higher commitment levels. On this account, a small Hh size does not necessarily favour one type of tenure choice over another.

As housing policies are developed according to these demographic factors, it will be no surprise to see differences in the housing requirements, tenure types and physical attributes in the housing stock of the two countries. Personal and cultural preferences can also be expected to be very different for both cases; the dominance of small dwellings would not necessarily lead to overcrowding in the Netherlands, while in Turkey, where large Hhs are common, a prevalence of small sized dwellings would certainly result in overcrowding.

3.1.6. Population forecasts (2050)

The demographic features of a population continue to change, and this requires careful monitoring if a more efficient housing system is to be achieved. Population forecasts reveal that in Turkey the population is expected to increase to 96 million by 205015, an increase ratio of 43 % on today's figures. These figures affirm that while many Western countries are now facing an aging of there populations16; Turkey's is comparatively younger. The population as a whole continues to increase and the housing needs of the next 50 years will be different from the previous 50 years in Turkey, and these facts need to be taken into consideration together with the current housing surplus. Balamir (2002)

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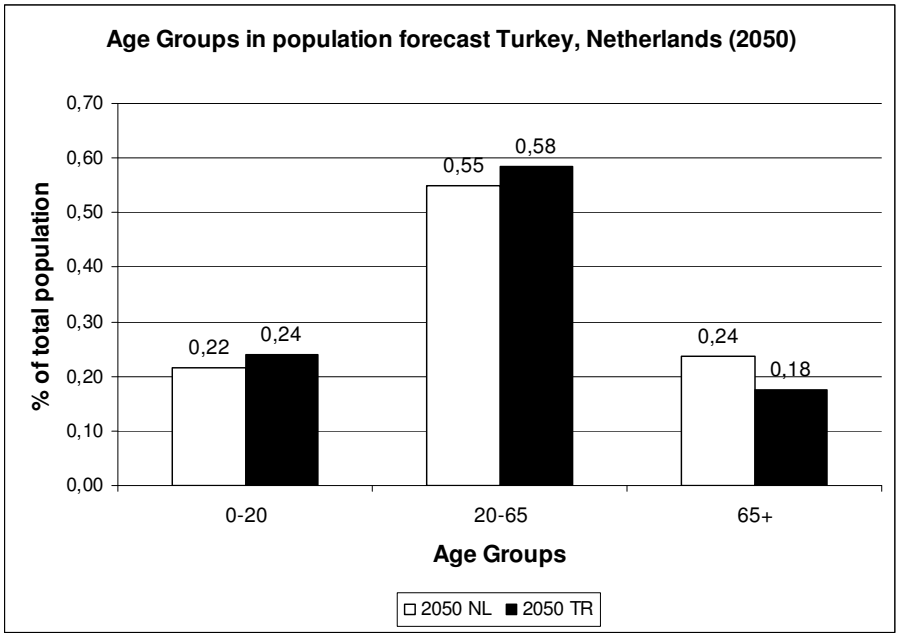
[15] Turkish figures are from TURKSTAT 2007 Address Based Population Registration System accessed on 29.April.2009, http://tuikapp.tuik.gov.tr/adnksdagitapp/adnks.zul

[16] In studies of Economic policy committee of EU, it is emphasized that ageing populations will pose major economic, budgetary and social challenges in coming decades. Especially, that ageing could lead to significant pressures to increase public spending, making it difficult for Member States to maintain sound and sustainable public finances in the long term – this is of particular importance in an economic and monetary union. (http://ec.europa.eu/economy_finance/epc/epc_ageing_en.htm).

argues that in the next decades, the primacy in urban development should be on rehabilitation rather than opening up new tracts of land for the development of housing.

In contrast, the Dutch population forecasts reveal that the total population in the Netherlands will reach 16.79 in 2050[17], with an increase ratio considerably smaller than in the Turkish case. For the Dutch part, the primary issue is the change in age structure rather than the total population increase.

Figure 3.2: Age Groups in population forecast, Turkey and the Netherlands (2050)



Source: www.tuik.gov.tr, www.cbs.nl

[17] http://statline.cbs.nl/StatWeb/publication/?DM=SLEN&PA=03766ENG&D1=0&D2=0&D3=a&LA=EN&VW=T (accessed on 23 March 2009)

In 30 years, almost one-quarter of the Dutch population will be older than 65[18]. In a report of the CPB[19] (Centraal Planbureau – The Netherlands Bureau for Economic Analysis) the ageing of the Dutch population is reported to have stemmed from a dramatic decline in fertility (baby bust) in the 1960s and 1970s, together with a steady increase in life expectancy. This trend, it is argued, will have significant consequences on the government budget and social security, with increases expected in public pensions and healthcare (from 26 % to 38 % in 2040), and pressures on the government budget, growing deficits and increasing public debt are to be expected if proper fiscal policies are not implemented. The report further raises discussions on who will pay for the costs of ageing, and whether the burden will be shifted to future generations or will present generations also contribute through adjustments in fiscal policies in a timely manner.

The Netherlands, however, has a good reputation for taking the required steps in advance. It is denoted in the OECD Observer magazine that:

> *"The Netherlands is well prepared to meet the challenge of population ageing, not least because of its large, funded occupational pension system. If the government adopts the policy of fully pre-funding its ageing-related outlays and at the same time succeeds in substantially rolling back early retirement, the Netherlands will be very well placed to age in comfort"*[20].

Ageing may have several significant repercussions, not only on government spending, health and welfare, but also on housing. The repercussions of ageing in spatial terms are generally underestimated,

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[18]http://statline.cbs.nl/StatWeb/publication/?DM=SLEN&PA=03766eng&D1=0-6,11-15&D2=0&D3=0,3,8,13,18,23,28,33,38,43-44&LA=EN&HDR=G2&STB=T,G1&VW=T (accessed on 15.12.2008)

[19] Ageing in the Netherlands, Special Publication 25, page 9. Accessed through http://www.cpb.nl/eng/pub/cpbreeksen/bijzonder/25/, on 15.12.2008, ISBN: 90-1209-085-7.

[20] http://www.oecdobserver.org/news/fullstory.php/aid/741/Ageing_populations:_How_the_Dutch_cope.html (Accessed on 15.12.2008).

since monetary issues seem more urgent at first glance. However, demographic changes are strongly related to housing choices, which constitute physically the bulk of urban areas and have a relevant economic value. Furthermore, housing markets are closely linked to the sectors of construction and finance, which have significant macro influences.

These population predictions indicate that the housing needs of newly forming Hhs will be a problem in the near future in Turkey, while being of less significance in the Netherlands. The rapid increases in populations hint also at a rapid aging of the population in Turkey, with the ratio of 75+ aged in population predicted to increase from 1 % to 7 %. As such, before successfully answering the housing need, there are different housing problems that may come to the agenda. As Soldo (1986) denotes, beyond the basic need of housing for all, there may be a need to address special requirements of certain Hh members (such as the elderly) in their housing. Since health concerns are the focal point of "elderly housing", such accommodation may need to serve not only as a residence but also as a service component. These differences have different impacts on the tenure choices of Hhs in the two countries.

For a country like Turkey where an increase in population is expected, the size and composition of new housing stock is worth considering. However, in the Netherlands the priority issue is housing for the elderly and/or other special needs cases, and as such the target groups for housing may be distinctly different in the two countries. Since the total population of the Netherlands does not change significantly, modifications to dwellings may be required to allow the elderly to live alone for longer, facilitating the provision of health care, rather than the construction of new stock.

The demographic structures of the two populations reveal two distinct pictures in the two countries. Since housing stock and housing and tenure choices stem from demographic attributes, those differences should addressed carefully to facilitate the formation of better housing policies. In the next section, the characteristics of the two housing stocks are analyzed.

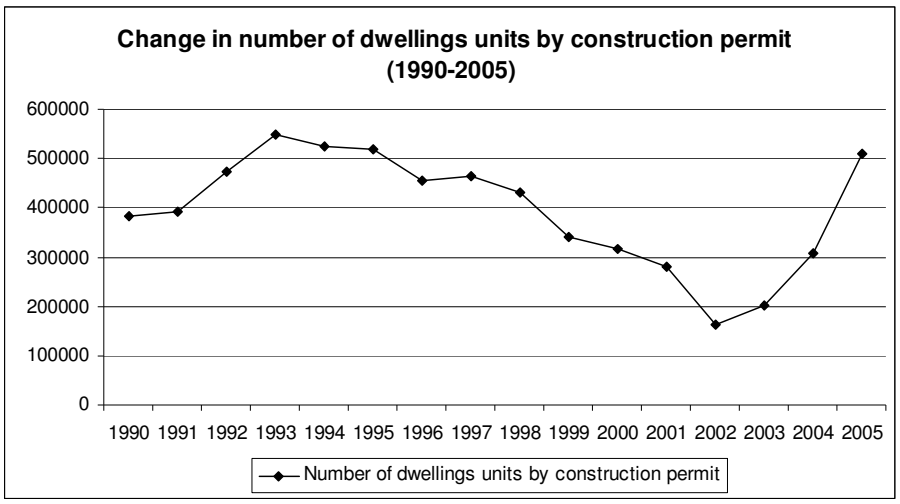
3.2. HOUSING STOCK IN THE TWO COUNTRIES

In Turkey, the high population increases, together with migration to urban areas have increased the need for housing, especially in urban areas, with the shortfalls in housing provision being taken up by private entrepreneurs. The number of buildings constructed by these private entrepreneurs has been impressive, and has resulted in a substantial growth in the Turkish housing stock[21], and the country has been able to generate a well-developed housing industry in terms of annual unit construction. For example, in the 1993–1995 period, more than half a million units were produced annually (Sarıoğlu, et. al. 2007), exceeding the actual need (Balamir, 1982). It is worthy of note that none of these were public investments, and that the construction statistics of Turkey comprise only authorized buildings; meaning the actual figures are higher than in figure 3.3 and 3.4[22].

[21] Balamir, 1996a, p.336.

[22] This performance is especially relevant when compared to construction statistics of several developed countries. See Balamir 1996a :p336 for further discussion.

Figure 3.3: Change in the housing stock by construction permits, Turkey (1990-2005)



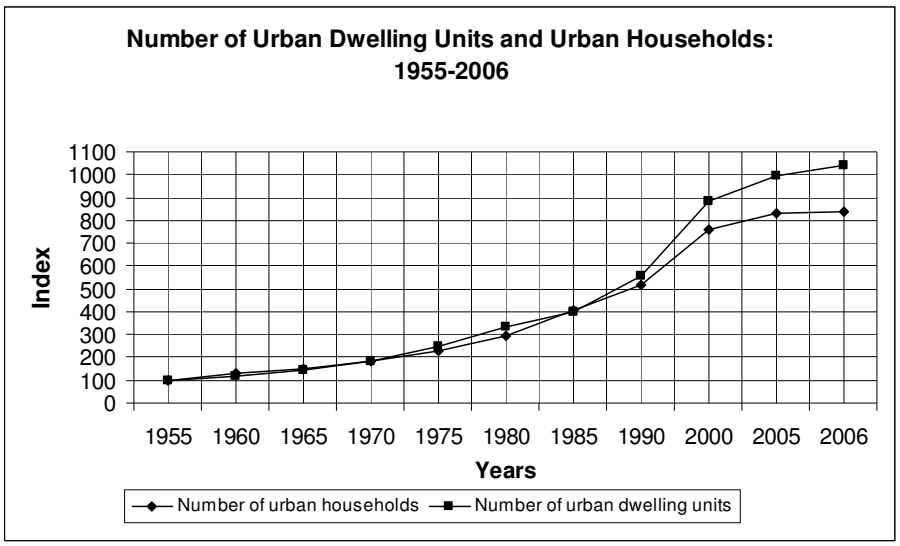
Source: Turkstat (2005) 2003 Building Construction Statistics

These figures are significant when evaluated in conjunction with the total number of Hhs (Table 3.4), from which it can be seen that the growth of the housing stock provides an average surplus housing of 20 % in short periods, disregarding the spatial variances. This is significantly higher than the 3–4 % ratio accepted as the needed surplus to allow for mobility in housing stock (Balamir, 2002:68).

The majority of housing construction in Turkey has been in the form of apartment blocks, which dominate the housing construction in Turkey[23].When compared with the number of Hhs, this performance reveals that there is now an excess of housing in urban Turkey.

[23] For the period of 1955-1995, see Balamir, 2002: p 67.

Figure 3.4: Total number of dwelling units and households in urban areas, Turkey (1950-2006)



Source: Updated from Balamir 2002: p. 338[24].

The number of Hhs and the number of dwelling units increased in parallel up until the 1990s, after which the number of dwellings increased at a higher rate. This led to a housing surplus, however since 2005 an opposite trend has been observed, indicating that the gap between number of Hhs and dwelling units can be expected to widen.

Additionally, as will be shown in the following sections, the characteristics of the stock do not adequately match the needs of the

[24] Updated from Balamir 1996a. Number of urban Hhs in 2005 and 2006 are estimates of Household Budget Surveys (HBS) obtained from Hh Consumption Expenditure Database (2002-06). It is crucial to underline that available figures on urban dwelling units cover only the authorised part of the housing stock since it is derived from construction permit statistics, whereas number of urban Hhs contains population accommodated both in the authorised and unauthorised part of the stock as census data and HBS estimates cover all Hhs. See also Özdemir-Sarı's Phd thesis to be submitted to University of Dortmund.

Hhs, which may lower residential satisfaction and the efficiency of the housing stock, through either under utilization or overcrowding (Sarıoğlu, 2007a, Sarıoğlu et al. 2007). For this reason, the growth in the housing stock has been unable to meet all the housing needs of Hhs, and has failed to prevent the building of unauthorized housing – gecekondus – which emerged as the only option for mainly low-income Hhs following their migration to the larger cities. Unauthorized housing has also emerged in the construction of high rise blocks in Turkey, involving the employment of professional builders and much higher investments than gecekondus (Balamir, 1996a:338).

Within these processes, while the Hhs, entrepreneurs and construction companies were developing methods to meet the housing demand, administrations continued to take a passive role in Turkey. The fact that solutions were already being developed by actors in the housing system was interpreted by administrations as a satisfactory rationale to continue with the same attitude rather than take on any responsibility. The two major exceptions to this were the foundation of the Housing Development Administration (HDA) in 1984, which constructed 43,145 dwelling units and financed the construction of 900,000 more[25] up until 2003, and the enactment of the Law on Housing Finance in 2007.[26]

In the Netherlands, a substantial housing shortage emerged after the WWII, estimated to be around 300,000 dwelling units according to the 1947 Census. The situation became worse as a result of the rapid growth in the number of Hhs, resulting in quality becoming a much lower concern in the race to satisfy the urgent need for shelter (Aedes, 2003).

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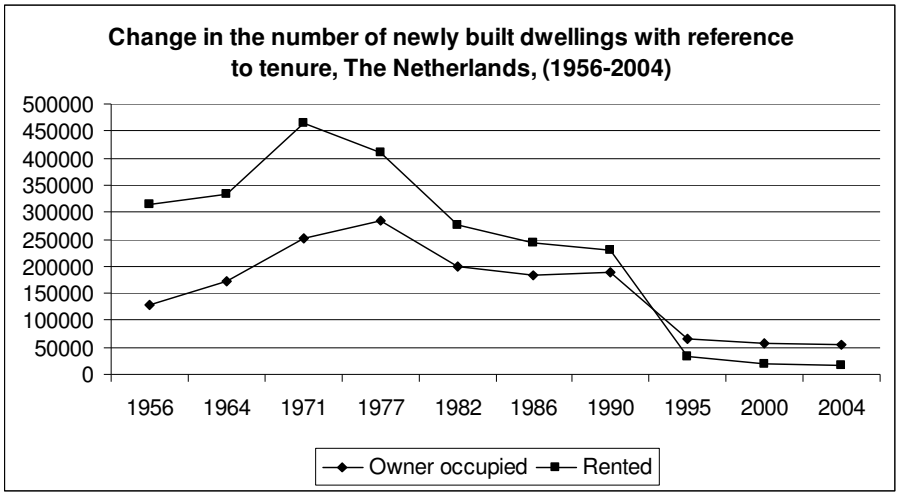
[25] http://www.toki.gov.tr/ozet.asp (Accessed on 24.March 2009).

[26] The Turkish Housing Finance Law is argued to require severe modification (Sarıoğlu, 2007a, and 2007b).

Figure 3.5: Change in the number of newly built dwellings with reference to tenure, The Netherlands (1956-2004)

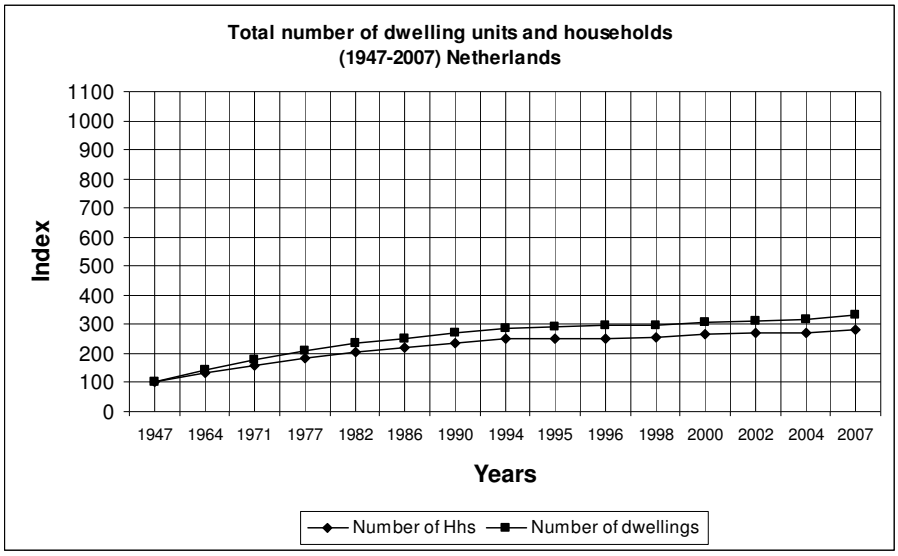


Source: Vrom, 1997 and www.statline.nl.

The newly built dwellings of the period were, due to price constraints, small, typical duplexes and low-rise flats with shared stairwells (Boelhouwer, 2002). From the post-war period until the 1970s, the rental sector dominated the newly built market in the Netherlands (Figure 3.5).

The growth in housing stock took a relatively slower pace in terms of the number of units produced when compared to Turkey (Figure 3.6), and the gap between the number of Hhs and number of dwelling units remained significantly smaller. This represents a relatively better match of housing stock to Hhs in the Dutch case.

Figure 3.6: Total number of dwelling units and households, The Netherlands (1947-2006)[27]



Source: Vrom, 1997
http://statline.cbs.nl/StatWeb/publication/?DM=SLEN&PA=37556ENG&D1=45&D2=48,57,65,72,78,83,87,91,95-97,99,101,103,105,108&LA=EN&HDR=G1&STB=T&VW=T
© Statistics Netherlands, Den Haag/Heerlen 11-3-2009
http://statline.cbs.nl/StatWeb/publication/?DM=SLEN&PA=7413eng&D1=19-20,22,26,29&D2=0&D3=12-20&LA=EN&HDR=T,G2&STB=G1&VW=T
© Statistics The Netherlands, Den Haag/Heerlen 11-3-2009

A comparison of the two housing stocks reveals decreases and increases in the number of units being produced annually, depending on the socio-economic circumstances of the countries. Mirroring the large population

[27] The scale of Figure 3.6 is deliberately enlarged to 1100 on the y axis to in order to make it comparable with Figure 3.4. It is significant to note that Turkish one represents only urban Hhs and dwelling units considering the comparatively lower ratio of urbanizaiton in the country. Figure 3.6 covers the whole housing stock and households in the Netherlands.

difference, the total number of dwelling units was 12,214,000 in Turkey (2006) and 7,043,212[28] in the Netherlands in 2008.

3.3. THE TURKISH HOUSING SYSTEM: HISTORICAL CONTEXT [29]

3.3.1. Tenure in Turkey

As a result of inadequacies in the regulatory framework, the absence of public housing and a absence of institutions providing housing finance, OO has been the prevailing tenure form in Turkish housing (Table 3.5). Considered as a safe investment good to protect Hh savings against inflation, OO, it is believed, is the best option for Hhs. In the housing career of a Hh, OO has mostly been regarded as a *sine qua non* for the majority.

Table 3.5: Turkey- Urban-Rural tenure ratios (1987, 1990, 1994,2000, 2003)

		Total	Urban	Rural
1987	Owner occupier	71.20	60.62	82.92
	Tenancy	21.93	33.04	9.64
	Public accommodation	2.67	2.51	2.84
	Other	4.20	3.83	4.60
1990 (GPC)	Owner occupier	70.20	58.91	89.25
	Tenancy	-	-	-
	Public accommodation	-	-	-
	Other	-	-	-
1994	Owner occupier	70.88	59.02	86.06
	Tenancy	19.71	29.84	6.74
	Public accommodation	1.76	1.62	1.94
	Not owner but not paying rent	7.65	9.52	5.25
2000 (GPC)	Owner occupier	68.28	59.77	86.75
	Tenancy	23.91	31.69	7.04
	Public accommodation	2.05	2.20	1.74

[28] http://statline.cbs.nl/StatWeb/publication/?VW=T&DM=SLEN&PA=7413eng&D1=0-2&D2=0-12&HD=090324-1205&LA=EN&HDR=T&STB=G1 Accessed on 24.March. 2009.

[29]. This section includes direct quotations from previous publication of the author (Sarioglu, 2007a, Sarioglu, et al. 2007 and Sarioglu, 2008).

	Not owner but not paying rent	4.84	5.46	3.50
	Other	0.92	0.88	0.97
2003	Owner occupier	71.95	64.16	85.69
	Tenancy	21.60	28.01	10.28
	Public accommodation	1.33	1.39	1.23
	Not owner but not paying rent	5.13	6.44	2.80

TURKSTAT,1993 Socio-economic Indicators, p. 15
1990 General Population Census (GPC), Socio-economic characteristics of population, 1993, p. 186
2000 General Population Census (GPC), Socio-economic characteristics of population, 2003. p 236.
1994 Processed from Household Income and Consumption Expenditures Survey Raw data
2003 Processed from Household Budget Survey Raw data

As Table 3.5 reveals, home ownership is the dominant tenure in Turkey. The primary reason for this is the high inflation that Turkey had been suffering for decades. As stated by Tekeli (1996b: 4)[30]:

> *"In countries that have undergone rapid urbanization, the sum of rental income and value increases that property ownership brings is much higher than any other investment return. This is not only because property ownership is more profitable, but also because in those countries the capital markets have not developed sufficiently."*

Households tend to consider home ownership as a safe investment good for the protection of their savings against inflation. In the housing career of a Hh, OO has always been regarded as an unavoidable end. In Turkey, even when Hhs have made the transition to OO, purchases of second or third houses are common, regardless of location, size or number of rooms. These dwellings may be used both as a base for the purchase of a convenient dwelling for their children when they begin their own Hh careers, or as an investment good for rent or sale in the future. In Table 3.2 the group "Not owner, but not paying rent"

[30] Translated from Turkish to English by Sarıoğlu.

primarily corresponds to this feature of Turkish Hhs, corresponding to 6.44 % (2003) of the total. These are mainly Hhs who live in properties owned by relatives, and as such are likely to become the owners of the property in the future. When added to the OO figures, this brings the OO total to 70.60 % for 2003 (Sarıoğlu, 2007a)[31].

These ratios spatially vary throughout Turkey. Among the cities covered in the HBS, the cities of Ankara, Gaziantep, Van, İstanbul and Samsun record a domination of OO in terms of tenure type; however the ratios in these cities show considerable variances, ranging between 52–71 %.

Table 3.6: Urban tenure ratios in several cities, Turkey (2003)		
	Owner occupation	Tenancy
Ankara	62,0	26,9
İstanbul	63,3	29,9
Samsun	68,6	28,6
Van	71,4	25,4
Gaziantep	52,9	32,8
Source: Processed from HBS 2003 Raw data.		

The significance of the OO form of tenure has always been significant in Turkey, and thus home ownership has always been on the agenda of the government. However, as Tekeli (1996a:9) argues:

> *"In Turkey, the direct provision of housing by the government has been justified only in special cases; mainly following natural disasters, in the provision of housing for migrants coming from abroad, and accommodation for civil servants. In Turkey, whether as housing suppliers or consumers, individuals have been free in their choices."*

The public accommodation referred to in Table 3.5 is housing provided for civil servants in some Turkish cities. This not accessible for all Hhs and so is not comparable to the social or public rented housing found in many European countries. In Turkey, it is private developers that form

[31] See also 3.7.1.2. Inmates, for elaboration of such households.

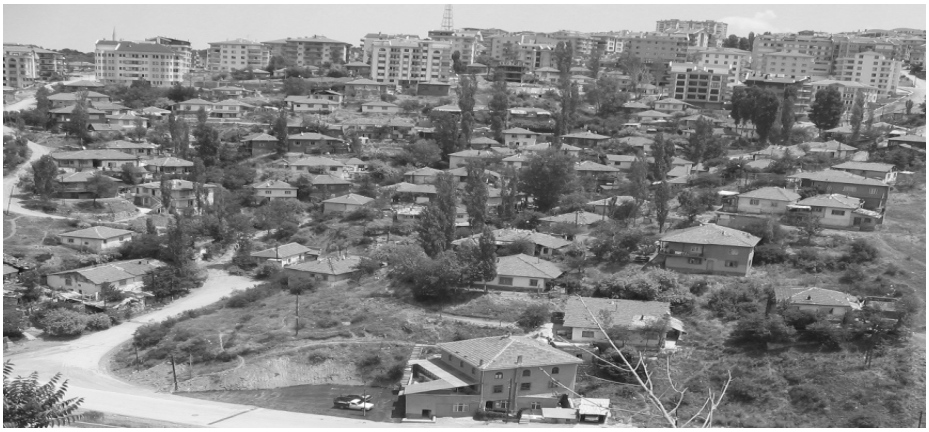
the backbone of the private rental sector, rather than the administration (Balamir, 1999), supplying more than 20 % of the total stock (21.60 %) (Sarıoğlu, 2007a). As stated by Türel (2000; 3), due to the absence of social rental housing as an alternative tenure, unauthorized house building continues alongside the authorized provision of housing in Turkey.

Türel (1996) also states that in Turkey one of the most important determining factors in becoming a homeowner is the provision of housing, and unsatisfactory housing policies have been substituted with methods created by Hhs themselves. In order to meet urgent housing demand, on the one hand, a dominant process was observed within the market mechanism that may be referred to as flat ownership (or *appurtenance*), while on the other hand, the lower income groups developed housing, completely disregarding legal constraints – "*gecekondus (built overnight)*" (Balamir, 1996a).

Gecekondus can be defined as the appropriation of land without the permission of the owner, and the rapid building of cheap housing on it, disregarding all legal procedures. Physically, especially on the outskirts of the larger cities where there are few infrastructural facilities, maximum two-storey *gecekondus* have become the most prevalent housing type in many big cities. Law No: 775, aimed at the rehabilitation, re-settlement of *gecekondu* dwellers and the prevention of new construction, was enacted in 1966[32].

[32] http://www.toki.gov.tr/docs/mevzuat/775SAYILIKANUN.pdf (accessed on 23. March 2009)

Photo 3.1: Gecekondu Areas in outskirts of Ankara



Source: Gecekondu dwellings, Ankara, Sarıoğlu, 2007.

Gecekondus, in the beginning, were created by low-income groups that had newly migrated to urban areas. Governments ignored this illegal practice for years, firstly because Hhs who were really in desperate need for accommodation had resorted to it as a remedy to their own problem, and secondly because it masked the inadequacy of governments in housing.

As Türel (2000; 3) denotes:

> *"Since social rental housing does not exist as an alternative tenure, unauthorized house building continues alongside the authorized provision of housing. Low income households believe that building unauthorized housing would eventually make them homeowners."*

With the enactment of subsequent *gecekondu* amnesties, *gecekondu* turned into a speculative house building process, followed not by needy persons, but rather by organized groups seeking profit. This process lost its innocence and became a major problem that governments have made efforts to solve for decades.

Appurtenance, on the other hand, resulted in a new tenure type that is unique to Turkey, by arranging the rights among multiple right-holders on single urban plots and brining the individuals' rights to the common and independent parts of the property as well. With the enactment of

Law No: 634, the "Law on Flat Ownership", in 1965, this process was legitimized (Balamir, 1975) and thus eventually became prevalent in the central areas of the cities.

In this process, existing stock was demolished and rebuilt in higher densities (Balamir, 1996a). Flat ownership not only helped to meet the demand for housing by increasing density in cities, but also opened a path for the rental sector, which governments had for years all but forgotten. As Balamir (1999) argues, governments had no role in the provision of the large private rental sector in Turkey, as it was the demands of individual Hhs that made it possible, filling an important gap in housing without violating the rules and regulations. Balamir (1996b, p.79) goes on the state that the formation of the rental stock in Turkey did not follow the historical processes seen in Europe, as the rental housing stock was not created by the governments or by mass business, but is rather exclusively in the hands of the private sector.
The physical consequence of this process was the formation of an impressive apartment stock with identical plot sizes and similar development rights, and as a result standard concrete buildings appeared all over the city landscape.

Photo 3.2: Flat ownership in Ankara

Source: Apartment Blocks, Ankara. Sarıoğlu, 2007.

The *apportionment* process was another development related to property, generally taking place on large tracts of agricultural or barren land at the peripheries of cities, and contributing further to the housing provision process. Such areas are usually outside the boundaries of development, and even municipal jurisdiction, and the sub-division of these agricultural lands is prohibited. As stated by Balamir (1996a, p.338):

> *"Individuals were compelled to devise means of overcoming the constraints imposed by law, and to carry out the development on their self-proclaimed subdivisions of land through mutual and semi-formal agreements often with notarial attestation. Having identified and informally appropriated a private plot; individuals could then carry out development of usually one or two storey independent dwellings, which meant the employment of professional builders, and more substantial investments than in the case of squatters."*

The 1980s differed from the previous decades, when the problems associated with housing would reach their peak as A result of the growth in migration to urban areas that started in Turkey after 1975 (Table 3.2).

The population figures support the effects of migration. The urban population, which increased slightly after the 1960s, increased drastically in the following decade, and for the first time in the history of the Republic the urban population surpassed the rural population.

3.3.2. Actors in the Turkish housing system

In Turkey, housing was never directly provided by the central authorities. Beginning from the foundation of the Republic in 1923 until 1945, government policies were aimed only at the formation of housing for civil servants, especially in Ankara after it was appointed as the new capital city. Between 1945–1960, the focus of governments changed from housing for civil servants to housing for the workforce, which had gained relevance under the new industrialization policies. In 1946, the **Real Estate Bank,** and in 1958, the **Ministry of Reconstruction and Housing** were founded. Although there had been several attempts at the regulation of housing, Turkey lacked a comprehensive national housing policy in this period (Keleş, 1982).

In addition to the Real Estate Bank, two other organizations began dealing with housing finance after 1950: **the Social Security Organization** and the **Mutual Help Organization of Army Officers**. While the first had been a major source of housing credits between 1950–1984, providing finance for 233,000 units up until 1992; the second gave credits for 55,000 units between 1963–1992 (Türel, 1994).
Up until the 1960s, the role of governments in providing public housing was not felt much, as demand was low, and somehow Hhs could meet their housing needs within the existing legal framework. However, particularly after the 1960s, with massive migration from rural areas to big cities through "rural push-urban pull" and "industrialization" processes, the problem of housing became severe, the current policies could not answer the demand and housing could not be made affordable for all income groups.

By 1960, the so-called *planned period* had begun in Turkey. The **State Planning Organization** (SPO), which was founded in 1961, prepared five year development plans that included policies for housing. Despite these positive developments, the problems associated with housing were not resolved, and in fact more serious problems emerged after 1960.
In Turkey, housing was mostly provided in the absence of state control, and a well-functioning housing finance system was unable to develop due to high inflation. Despite the absence of such control, Turkey was able to generate a well-developed housing industry in terms of the number of units produced annually, made possible through **the private entrepreneurs** operating in residential construction. In some years, more than half a million units were constructed, which Balamir (1982) argues exceeded the housing need.

In particular, when the migration to larger cities had resulted in a distinguishably higher demand for housing, in a three-year period (1993–1995) over 500,000 units were produced annually, none of which were built through public investments (Figure 3.3).

It was also after the 1980s that *gecekondus* became a speculative process. In order to cope with these chronic problems, in 1984, with the enactment of Law 2985, the HDA of Turkey was founded. The legal grounds for mass development had begun in 1975 with the addition of a

few items to the Development Law (Altaban, 1996), but the gaps in legislation related to financial regulation were plugged with the enactment of Law 2985.

The role of the HDA was to subsidize, support and construct houses. As a result of political support for mass-produced housing and cooperatives, 43,145 dwelling units were constructed and finance was provided for the construction of 1.1 million dwelling units[33] up until 2003. However, the administration could not operate in the environment of high inflation and their efforts did not yield the expected results. Moreover, mass production on larger plots led to the formation of common horizontal ownership, which necessitates the involvement of Hhs in managing common and open areas (Altaban, 1996). The responsibilities and duties of Hhs for common areas remain unregulated.

Among the many institutions founded to date, today only the HDA could truly be referred to as a major provider of housing in Turkey, aside from private contractors. However, the housing production of the HDA has been criticized for not answering the affordability problem (due to existence of gecekondu) and for a lack of design quality in its buildings (Balamir, 2004; 1998 and 1997).

In summary, the rental sector has never been subsidized in Turkey, and in the absence of a finance system, home ownership has not been encouraged either. Of all home owners, only 3 % have used financial credits for their purchases (CMB, 2005). Even with the help of the HDA of Turkey, home ownership has only become a reality for the higher income groups. Affordability has been a major problem for Turkish Hhs since the beginning of the Republic.

As a result of Turkey's peculiar urbanization history, its cities now feature a number of unauthorized houses, which are considered as a path

[33] www.toki.gov.tr (Accessed in April 2005)

to home ownership, especially by the poor; alongside apartment blocks that may serve for both private tenancy or OO. This type of housing system resembles a unitary rental system, except that the residualization of the poor takes place in gecekondus rather than in social rented housing, which has never existed in the country. Different from Western societies, in which the owners and public-private renters constitute the occupants, housing classes of owners, private renters and *gecekondus* have been developed in Turkey, each bearing its own problems and benefits. This tenure pattern was not the result of deliberate decisions or a physical policy design, and thus the policies have been unsatisfactory in addressing the dynamic nature of housing. These dynamics have created socio-economic and spatial divergences within housing, including: a less differentiated housing stock, limits on the efficient use of housing, ignorance of housing problem of "other", overcrowding as a result of small units/large Hh averages, maintenance problems (especially in the rental sector), surplus housing production and unequal allocation, affordability problems and unauthorized housing, (Sarıoğlu, et al: 2007; Balamir, 2002, 2006; Türel, 1996) etc.

3.4. THE DUTCH HOUSING SYSTEM: HISTORICAL CONTEXT[34]

3.4.1. Tenure in the Netherlands

In the Netherlands, housing has traditionally been considered as a "social need" that must be undertaken by the state, rather than an issue which may be solved within the market. Its social housing stock has been, in relative terms, one of the largest in Europe, accounting for around 45 % of the total (WBO, 2002). In the Netherlands, unlike Turkey, public rental housing has become the distinctive feature of housing; although

[34] Discussion of the Dutch housing system primarily rests on the paper of SARIOĞLU, G. P. (2007) "Hollanda'da Konut, politikaları ve İpotekli Kredi Sistemi, *METU Journal of Faculty of Architecture* (JFA), 24:2, pp. 1-16. This section includes direct quotations from previous publications of this author (Sarıoğlu, 2007a, Sarıoğlu, et al. 2007 and Sarıoğlu, 2008).

similar to Turkey the ratio of rural ownership is higher than that of urban ownership.

Table 3.7: Tenure type and home ownership rates in the Netherlands, 1947-2007 ***(x 1000)***

Years	Number of owner occupied dwellings	Number of rented dwellings	Total number of dwellings	Home ownership rate
1947	595,3	1530,7	2126,0	
1956	744,4	1822,6	2567,0	28
1964	1044,5	2027,5	3072,0	29
1971	1325,5	2461,6	3787,0	34
1977	1836,8	2643,2	4480,0	35
1982	2081,9	2875,1	4957,0	41
1986	2315,1	3068,9	5384,0	42
1990	2610,9	3191,1	5802,0	43
1994	2937,1	3181,9	6119,0	45
1995	2973,6	3221,4	6195,0	48
1996	3078,4	3204,1	6282,5	48
1998	3180,0	3180,0	6360,0	49
2000	3382,6	3122,4	6505,0	51
2002	3578,5	3048,4	6626,9	52
2004	3694,0	3081,5	6775,5	54
2007	3895,4	3147,8	7043,2	55

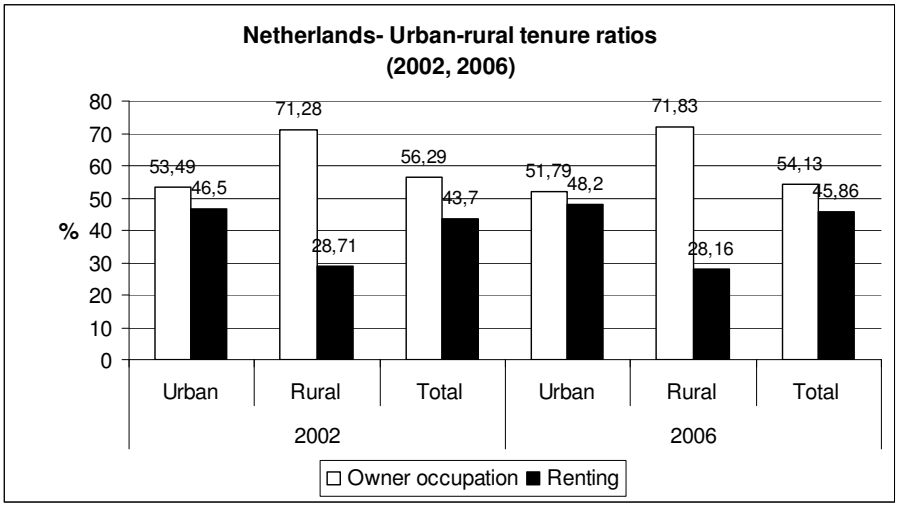
Source: Vrom, 1997, Statline
*(*http://statline.cbs.nl/StatWeb/publication/?DM=SLEN&PA=7413eng&D1=19-20,22,26,29&D2=0&D3=12-20&LA=EN&HDR=T,G2&STB=G1&VW=T)

The Netherlands has been characterized with a low ratio of home ownership until very recently. In 1947, just after WWII, the ratio of OO was only 28 %, climbing to 41 % in 1977 (Vrom, 1997) and to 52 % in 2002[35]. Although there have been several policy attempts to promote home ownership, the public rental sector is still prevalent in the Netherlands, especially in the larger cities such as Amsterdam and

[35] According to WBO 2002, this rate is 56.3 %.

Rotterdam, where the ratios of renting are respectively 78.7 % and 71.8 % (WBO, 2002) (Sarıoğlu et. al., 2007).

Figure 3.7: The Netherlands- Urban-Rural Tenure Ratios (2002, 2006)[36]



Source: Processed from WBO, 2002, WoOn 2006.

The history of social housing policies in the Netherlands can be traced back to the late 1800s. In 1890 there were 40 social housing organizations in operation, increasing to 301 in 1913 and to 1341 in 1922 (Aedes, 2003). However, more significant steps were taken in 1901 with the enactment of the Housing Act, which focused especially on the quantitative aspects of the housing stock by promoting the availability of satisfactory living conditions. It was a comprehensive act that put in place local building regulations, and introduced city plans and financial support to subsidize and build social housing. However, the potential

[36] Since WBO and WoOn provides information based on households, rather than rented dwellings, the ratios refer to renter households.

benefits of this act could only be fully realized after WWII, when housing emerged as a serious problem in the Netherlands (Vrom, 1997). Extensive housing construction took place in the Netherlands from 1945 up until the mid-1980s. Production rates were very high, but there was little regard or concern for the quality of the existing housing stock[37]. Of the newly built housing stock, public rented housing was the most dominant sector (Figure 3.5).

Before 1945, the ratio of privately rented housing in the housing stock was considerable; however, with the policies implemented following WWII, the ratio decreased. In 1974, 25 % of the entire housing stock was privately rented, dropping to 13 % in 1990 (Ter Rele and van Steen, 2001) before rising again to 20 % in 2006.[38]

This period saw a physical deterioration in the newly constructed buildings, bringing about the need for maintenance, and so the chief concern became to maintain the stock, thus lengthening the lifespan of the existing units rather than building new ones. As a mutual solution to these problems, new policies, affected by liberal movements in Europe were developed accordingly, with more responsibilities being passed to local administrations from the central agencies.

To cope with the severe shortage, huge amounts of subsidies were required, which made government intervention inevitable. Fortunately, this occurred in parallel to the expansion of the welfare state in the post war period (Boelhouwer, 2002). Several measures were developed, such as rent control, housing allowances and the building up of a social rental sector, in which the Netherlands then became one of the pioneers ahead of other Western European countries (Dieleman and van Kempen: 1994). In 1958, annual production was 89,000 units, and in 1967 almost 125,000 dwellings were produced. To achieve such a high annual production figure, mass production methods were widely adopted

[37] http://www.vrom.nl/pagina.html?id=37360 (Accessed on 16. March. 2009)
[38] http://www.vrom.nl/pagina.html?id=37429 (Accessed on 23.March. 2009)

(Aedes, 2003). Hence, contrary to the first generation of social housing, the dwellings built in the 1960s and 1970s were usually in the form of massive apartment complexes (Boelhouwer, 2002).

During the 1960s, efforts were steered towards a more private-oriented housing market. However, this was delayed firstly because of a number of unfavourable conditions that prevented private market from operating well; but more importantly, demand had increased as a result of the post-war baby boom generation who were now coming of age, and Hhs thus began getting smaller. Once again, it was the government rather than market mechanisms that had to address the demand for housing (Dieleman and van Kempen; 1994).

The primary role of the government in housing continued into the 1970s, and in 1977, for the first time, the promotion of home ownership was placed on the agenda at the expense of the sale of social rented dwellings or the cutting of object subsidies (Boelhouwer, 2002). The owner-occupier market collapsed at the end of 1970s, meaning the government had to intervene in the process, resulting in the growth of social rental housing (Dieleman and van Kempen; 1994). In this period, despite the intentions of government and policies implemented, it was not the OO sector that grew, but rather the rental sector (Boelhouwer, 2002).

In addition to owner occupation, and public and private renting, the Netherlands has another type of tenure called *erfpacht*[39], meaning long lease. The legal framework for "erfpacht" is subject to the Civil Code in the Netherlands, where it is defined as the "a real right which gives the emphyteutic holder (lease holder) the power to hold and use the immovable thing of another person" (Haanappel et. al, 2002, Book 5 Title 7, Article 85). Annually, a sum of money, known as a *canon* (ground

[39] In WBO and WoON, for the variable huko (huurder of koper-owner or renter) "erfpacht" is considered as a part of "OO" (huko=1), yet there is an opportunity to obtain the actual ratio of erfpacht.

rent), is paid, and the leaseholder enjoys the same benefits as an owner (Haanappel et. al, 2002). In the Netherlands, 92.2 % of all OO dwellings covers ownership of the land, whereas the rest is long lease (WBO, 2002). Similar legal arrangements are valid in Turkey for other land uses, and yet have not been implemented for residential areas. Long leases account for significant ratios in cities like Amsterdam, where only 39.4 % of all owner occupied dwellings do not have erfpacht (WBO, 2002).

In the Netherlands, object subsidies (dwelling or location specific) were prevalent before the 1990s. These subsidies could be used for new constructions or improvements, regardless of the income of the Hh. However, these object subsidies proved to be inefficient, and by the 1990s a new scheme of subject subsidies was introduced, with subsidies depending on the income and the rent level of the Hhs (Vrom, 1997). The system of individual rent subsidies (subject subsidies) was developed during the 1990s, with allowances granted depending on the income of the Hh, the number of persons and the rent of the dwelling.

Whether object or subject subsidies, their implementation had repercussions on the housing stock. As Pellenbarg and Van Steen (2005) stated, Hhs tend not to flow from one type of tenure to another, or from a particular type of dwelling to the other, preventing a relocation chain in the housing market. Since they do not act as they are theoretically expected to behave, a sufficient supply in all categories of housing cannot be created, meaning a mismatch between dwellings and Hh types.

Dieleman and Van Kempen (1994) have observed two such mismatches in the Dutch rental sector, namely inexpensive and expensive mismatches. The former can be defined as a situation in which the dwelling has a relatively low price, while the Hh has a relatively moderate income. In this case, relatively rich Hhs live in houses with lower rents, and thus pay less in relation to the income they earn. An expensive mismatch, on the other hand, operates in reverse: the dwelling has a high price compared to the income of the Hh, which means the Hh receives a higher amount of housing allowance. This mismatch brings an extra financial burden to the government in paying unnecessary housing allowances. Both types of mismatches lead to Hhs paying less than the norm for their housing (Dieleman and Van Kempen, 1994). In the same

study, the number of inexpensive mismatches was 640,000 in 1986, reaching 730,000 in 1990; while expensive mismatches were observed in 5–6 % of the renters in the study of Minvrom in 1986 and 1990.

By the beginning of the 1980s liberalization movements in Europe had emerged, yet major changes to the Dutch housing system could begin only after the 1990s. Unlike other Western countries, total expenditures by the government in housing kept increasing in the 1970–1990 period (Boelhouwer and Van der Heijden; 1992). With the introduction of "Housing in the Nineties", in 1989, the role of central governments was reduced through the decentralization of several responsibilities to municipalities and housing associations (Dieleman and van Kempen, 1994). This white paper imposed more liabilities onto landlords and consumers in a more business-like environment, and it was after this that the role of the government in housing was questioned. The first reason for this policy change was that policy goal of subsidizing housing made governments take on heavy financial burdens which could no longer be justified (Vrom, 1997) from an economic perspective. As claimed by Boelhouwer (2002), the ongoing concept of merit good understanding for housing had lost its validity, and it was no longer necessary for the central government to play a primary role in the housing market (Vrom, 1997). Secondly, housing had become a problem of "quality" rather than "quantity". In other words, policies implemented for almost 50 years had achieved their goal and had eliminated the problem of housing shortages. The housing stock had increased by almost 3.5 times after the war, from 2,126,000 dwelling units to 6,626,900 (Figure 3.5), leading to inevitable budget cuts, as the primary target had been to decrease subsidies by 200 million guilders (90 million Euros) (Boelhouwer, 2002).

With the introduction of the Housing Memorandum (What people want, where people live?) in 2000, it was targeted to increase home ownership to 65 % by 2010, requiring the sale of some 700,000 rented dwellings, however the government appears to be falling short of reaching this figure (Boelhouwer and Neuteboom; 2003). The main reasons for this, according to the authors, are argued to be the rise in housing prices and the availability of cheaper rented dwellings in the stock.

At the beginning of the 2000s, the "Housing in the 21st Century" memorandum was introduced, emphasizing the freedom of choice of individuals in their housing without detriment to social justice[40]. However, this has been criticized by some quarters, who state that the housing memorandum is deceptive in its claim that "A greater say is given to households" (Priemus (2001a), as there is still no tenure-neutral housing policy in the Netherlands, as when income is high, governments favour owner occupation; and when income is lower, renters are over-supported. This means that rather than being the choice of the Hhs, it is the government that is making choices for them from the very beginning.

In 2001 the "Promotion of Owner Occupied Housing (BEW)" act was established, aimed at, from the demand side, the provision of an income-dependent subsidy for 30 years; and from the supply side, the sale of rented dwellings by housing associations at a reduced price (at 80 % of the market value). This type of government intervention can be considered as similar to the "Right to buy" policy in Britain (Boelhouwer and Neuteboom, 2003). In 2006, the ratio of Hhs who had bought their former rented dwellings, thus becoming OOs, was 5.6 % of all Hhs (WoON, 2006) in the urban Netherlands[41].

It can be said that recent Dutch housing policy has rested mainly on respecting the individualization of society and their changing housing preferences, the promotion of owner occupation and increasing urban quality. Private entrepreneurs are given support in their bids to take on more responsibilities, and more attention is devoted to increasing green and blue in urban areas (Heins, 2005).

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[40] English summary of Nota "Mensen, Wensen, Wonen wonen in de 21e eeuw "- "What People Want, Where People Live housing in the 21st century" Accessed online at http://www.vrom.nl/docs/internationaal/Nota_wonen_engels.pdf, VROM 23092/211
Accessed on 23.March 2009.

[41] By employing omhukoop (14.1) (Was vroeger huurder van deze woning) which was asked only to owner occupiers.

3.4.2. Actors in the Dutch housing system

In the Dutch housing organization, there are three main actors: housing corporations and other landlords, municipalities and occupants (Vrom, 1997). Housing corporations are non-profit social landlords that have been the major partner of governments in housing. Different to private entrepreneurs, the profits they make are returned to housing, obtaining the necessary funding from the government to build and maintain the dwellings. There is almost no financial risk, however social landlords have little freedom (Vrom, 1997).

Their primary tasks are[42]:
- *to let dwellings primarily to lower income groups,*
- *to allot dwellings according to municipal allotment rules,*
- *to maintain sufficient quality of their stock,*
- *to assure financial continuity/solidity,*
- *to consult with their tenants, and*
- *to promote livability in the neighbourhood where their property is located.*

Housing associations own and manage 2,282,993 social rental dwellings (2007), accounting for almost 75 % of the rental and 35 % of the total housing stock[43].

In 1994, there was a significant policy change related to housing associations, which previously had been recipients of heavy subsidies from the central government. In line with the privatization policies seen in almost every field, these associations were privatized with the aim of giving them greater independence. The privatization of these associations was argued to have advantages as well as disadvantages. Dieleman (1994) states that the primary benefit of the social rented

[42] http://international.vrom.nl/pagina.html?id=10956 (Accessed 16.july 2008)
[43] http://international.vrom.nl/pagina.html?id=10956 (Accessed 16.july 2008)

sector arises from the less direct financial links to the national budget and even greater independence from the political process and major policy changes. The trend towards the withdrawal from public renting would decrease the burden of public housing on the national budget substantially, and hence would undermine the arguments of politicians who favour abandoning housing market regulation because it is financially unsustainable. This may create a political climate in which the obvious advantages of a large social rented sector and government regulation of the housing market are reiterated, though more frequently and strongly than in the past. However, the complete privatization of the associations led to certain drawbacks in the following years (Priemus, 1996). Rent increases were greater than inflation ratios, reaching more than twice the annual inflation rate in some years (Priemus, 1996: 1902).
Apart from these social landlords, there are also private landlords operating in the housing field, however their share is comparatively lower than social landlords, and lower than in other Western countries (Vrom, 1997). In 2002, there were 2,275,000 social landlords and 646,000 private landlords operating in the housing sector[44]

Municipalities (housing authorities) could gain control in the housing field only after the deregulation and decentralization of the 1990s. Before this, they were not permitted to pursue housing policies of their own, their responsibility being only to maintain the housing demand-supply of the urban areas. Municipalities with a population of more than 300,000, can obtain further support from the central agencies, which can be used either in the rented or OO sectors for new constructions or for rehabilitation (Vrom, 1997).
Municipal housing authorities and housing corporations are responsible for the construction and maintenance of rented dwellings, however the housing authorities have recently converted into housing corporations. Between 1990–1996, the number of housing authorities operating within municipalities decreased from 213,000 to 63,000 (Vrom, 1997).

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[44] www.cbs.nlNvmnvnvmbn (accessed in 07.11.2008)

3.5. HOUSING FINANCE IN THE TWO COUNTRIES[45]

In macro economic terms, the Netherlands is a developed country when compared to Turkey. The Dutch GDP per capita figure is almost 5 times higher than that of Turkey. Starting from US$ 4,084 in 1970, Dutch GDP per capita increased to US$ 36,548 in 2006; and it is interesting to note that the GDP per capita of Turkey in 2006 (US$ 8,766) was almost equal to the Dutch GDP per capita in 1978 (US$ 8,246) [46].

This economic advantage made it possible for the Netherlands to establish a powerful mortgage system that is not based solely on arranging relations between the bank and Hh, and the mortgage on the dwelling. The system contains also supportive institutions that steer the operations of the actors and intervene when necessary, like the National Mortgage Guarantee (Nationale Hypotheek Garantie) (NHG). Involved in the process are the buyers, housing corporations, banks, mortgage advisers, NHG and real estate agents.

The Dutch mortgage system is quite well-developed in responding to Hh demands and wishes, with banks offering different interest rates, loan terms and schemes. The main pre-requisite for obtaining a mortgage is to have an employment contract. The mortgage alternatives are so diversified that it may take some time to decide upon which type of mortgage is the best for the Hh. Thus, there are mortgage advisers who help Hhs in making this decision. The contract period for a mortgage is generally around 30 years, longer than the inflationary Turkish case where the prevalent term is only 10 years. When Hhs face financial difficulties, the NHG may be consulted for financial assistance, and several mortgages include insurance premiums. No institution of this type exists in the Turkish mortgage system.

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[45] Discussions on housing finance of the Netherlands and Turkey primarily rests on the paper SARIOĞLU, G. P. (2007) "Hollanda'da Konut, politikaları ve ipotekli kredi Sistemi, *METU Journal of Faculty of Architecture* (JFA), 24:2, pp. 1-16

[46] http://stats.oecd.org/WBOS/Index.aspx?DatasetCode=CSP2008 (Accessed on 18.March. 2009, acquired by selecting the two countries).

Table 3.8: Inflation and CPI for the Netherlands, (1900-2007)		
Subjects	**Consumer Price Index**	**Inflation**
Periods	*1900 = 100*	*%*
1900	100.0	
1910	112.1	2.8
1920	225.8	10.4
1930	154.5	-3.8
1940	152.9	14.7
1950	312.4	9.1
1960	414.4	2.5
1970	628.1	4.4
1980	1 274.5	6.5
1990	1 627.3	2.5
2000	2 082.9	2.5
2001	2 178.5	4.6
2002	2 251.6	3.4
2003	2 299.7	2.1
2004	2 326.9	1.2
2005	2 366.7	1.7
2006	2 393.9	1.1
2007	2 432.4	1.6
© *Statistics Netherlands, Den Haag/Heerlen 11-12-2008*		

This type of a system has been made possible not only because of administrative policies towards housing, but also due to the more stable macro conditions and low inflation rates found in the Netherlands. As can be seen in Table 3.8, in the Netherlands inflation rates have never exceeded 15 %, even during WWII.

However, the Netherlands' strong and diversified mortgage system has been the subject of criticism on the grounds that the policy of tax deduction of mortgage interest rates does not lead to affordable access to OO, but rather leads to inflation in the price of housing (Grius, 2008)[47]. Regardless of this, the Dutch mortgage system offers more options to

[47] http://www.smith-institute.org.uk/pdfs/visions_sh.pdf (accessed on 20.March 2009)

Hhs, and opens more paths to OO when compared to the Turkish case, where only recently has a law on housing finance been enacted. The above review of the Dutch mortgage system reveals that in the Netherlands, in addition to the public renting opportunities on offer, there is also a supporting financial system for OO as well. In Turkey, however, due to the high inflation and interest rates of the past, it has been impossible to develop a housing finance system.

Table 3.9: Inflation and CPI for Turkey (1965-2004)

	Inflation rate*	**CPI****	
1965	3,57	148,8	1958=100
1970	8,43	115,1	1968=100
1975	19,55	251,3	1968=100
1980	84,87	1886,1	1968=100
1985	52,77	1159,6	1978-1979=100
1990	60,00	454,6	1987=100
1995	130,60	8511,7	1987=100
2000	68,90	2970,4	1994=100
2004	16,20	9212,1	1994=100

** With respect to same month of the previous year **With respect to annual averages*
Source: http://evds.tcmb.gov.tr/cbt.html Accessed on 05.June. 2009

Between 1990 and 2006, the annual inflation rate was 57 % for Turkey, compared to only 2 % for the Netherlands[48]. These figures indicate that the two countries have experienced radically different macro economic conditions, favouring a mortgage system in the Netherlands, while proving to be an obstacle in Turkey.

Turkish banks did offer credits for house purchases, but these were highly inefficient. While European Hhs have been able to become home owners through mortgage credits, entry to home ownership profiles (EHOP) have been observed differently in Turkey. As the study of CMB (2005) points out, of all the homeowners in Turkey, only 3 % used

[48] http://data.un.org/Data.aspx?q=inflation&d=SOWC&f=inID%3a79(accessed in 31 December 2008).

credits from financial institutions for their purchases; meaning that in the absence of a mortgage law, parental resources were a major source for buying a home in Turkey.

In March 2007, the "Law on Housing Finance" was enacted in Turkey, which was actually a compilation of several items from related laws. With this law, in addition to banks, leasing companies and consumer finance companies (non-bank institutions) became eligible to operate in housing finance under the Banking Regulation and Supervision Agency (BRSA), able to lend money at both variable and fixed rates to Hhs for the purchase of a house.

Any type of dwelling can be bought through the mortgage system in Turkey, the only two conditions being that the dwelling should be at least 80 % completed, and an occupancy permit must have been issued. The dwelling unit should be insured against disasters, and life insurance for the buyer is required. If the Hh cannot make the repayments for two subsequent months, a period of one month is given to the buyer to settle the debt and continue with the initial credit arrangement. The insurance related conditions in the Mortgage Law are necessary, given that Turkey is located over active seismic belts. With the enactment of this the law, it is hoped that the ratio of dwellings covered by disaster insurances will increase. Disaster insurance is in fact already compulsory in Turkey; but a further requirement in the mortgage law will be helpful in highlighting the relevance of the topic.

The Mortgage Law in Turkey does not differentiate between owner and non-owner, which means that although a person owns a house, he/she can ask for a mortgage for a second house. Eligibility is pinned only to the financial status of the person, not the current home ownership status of the buyer or Hh type (married, single person, elder etc., which would certainly have distinct preferences and priorities). The buyer only has only to prove that he/she can make the monthly payments through his/her income. Since the criteria for obtaining a mortgage are related only with financial eligibility, the law is likely to increase home ownership rates in Turkey.

Turkish Mortgage Law is actually a compilation of related items from different laws for an ordinary "consumer good", being housing. Disregarding the social aspects, homes are considered only as a good that is sold in the market. The positive aspects of this may be that firstly it will help to decrease unauthorized houses through the compulsory incorporation of an occupancy permit; and secondly, that the statutory obligation for disaster insurance will decrease the number of uninsured houses. The law does not have priorities for lower income groups, therefore whether further penetration to the lower end will be possible is a subject that is still open to question. The effects of this law on the market may be evaluated over time, yet it is expected that future adjustments will be inevitable in pursuit of a more effective housing finance system.

3.6. MAJOR LEGAL INSTRUMENTS FOR OWNER OCCUPATION AND TENANCY IN THE TWO COUNTRIES

3.6.1. Turkey

The housing of Turkish citizens is covered in item 57 of the Turkish Constitution[49]:

> *"The state, with a planning process that considers the circumstances of cities and environmental conditions, takes preventive measures to meet the housing need and additionally, supports mass housing initiatives".*

However, in the absence of direct housing provisions and strong state regulation, Turkey has been deprived of a national housing policy. Turkey has become an owner society despite the fact that no mortgage system existed until 2007 that would directly support OO, as ownership has been encouraged indirectly. The renting out of privately owned dwellings increased the financial benefits of OO, since there is no public rented sector (when referring to the rental sector in Turkey, one is referring to a situation in which a private home owner rents out his/her

[49] http://www.tbmm.gov.tr/Anayasa.htm (accessed on 16.March. 2009) personal translation.

dwelling unit in return for rental income). In other words, owners are free to rent out their property at an amount decided upon by themselves, and as such the existence of a rental sector in Turkey is dependent on the will of home owners. The relations between renters and owners are tied through a lease agreement in which matters related to rent amount, rent increases and the duration of the tenancy are determined between the two parties. Generally speaking, rental contracts are made for one year, with rent increase for the subsequent year stated in the contract. At the termination of the term covered by the contract, the conditions continue if not contested by either of the parties.

In the absence of state regulation on rents, landlords in the past had monopolistic powers to determine rent levels and increases and households were forced to accept these amounts. This trend was broken only in 2000, when rent increases (not rent levels) were fixed at a maximum of 25 %[50]. There is still no government control in the setting of initial rents.

The superior position of home owners can be further appreciated in the ease at which they have for decades been able to evict tenants. Renters could face eviction under certain situations determined by the Law on Property Rents No: 6570, however these were subject to misuse by homeowners, leading to easy evictions, followed by new tenant agreements with new tenants at increased rent levels, bringing more profit to the homeowners. This process indicates that a pro-landlord system is prevalent in Turkey.

There is a draft in the Turkish Code of Obligations that is expected to be enacted in 2009 which, if accepted, will supersede Law No: 6570, and will bring significant changes to the Turkish housing system. Public

[50] Law 6570, Gayrımenkul kiraları hakkında kanun (Law on Property Rents) http://www.hukuki.net/hukuk/index.php?article=107 (accessed on 25.February.2009)

discussions on this law have been controversial,[51] as it has been argued that only the items in the Swiss law (upon which it has been based) that protect renters have been added to the Turkish version. It has been raised that by only adopting some items from the Swedish model, where the rental sector is different, the system will be inoperable in Turkey, with further criticisms that it limits the owners' rights to their property. In other quarters, the law has been held up as a reform in the conventional renting system in which renters are supported[52].

In addition to the law on property rents, property taxation has encouraged OO and multi-ownership for years. Until recently, there was no differentiation between OO and multi-ownership in the tax system. This type of legal framework encouraged multi-ownership in Turkey for many years; however the current property taxation system supports OO, but discourages multi-ownership. Especially for retired persons, housewives, the unemployed and handicapped there are exemptions if they own only one dwelling unit. Rental income is also subject to taxation, which may also have an adverse affect on multi-ownership. Rental incomes from residential units are taxed if the annual rental income is more than 2,600 TL[53].
In summary, the legislative framework makes home ownership quite advantageous in Turkey, since the owner can earn not only capital gains from a property, but also a rental income when it is rented out. Such conditions have made multi-ownership very attractive. The attractiveness

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[51] Kiracılar mı yanacak ev sahipleri mi?, http://arsiv.ntvmsnbc.com/news/469851.asp#storyContinues (Accessed on 26.02.2009).

[52] For arguments of two opposing comission members, Kaplan, İ. (against) and Burcuoğlu, H. (for) see http://arsiv.ntvmsnbc.com/news/469851.asp#storyContinues, (Accessed on 26.02.2009).

[53] Kızılot, Ş. 2008'de emlak vergisi ve kira geliri vergisi http://www.emlakkulisi.com/haber.asp?id=3051,
Kızılot, Ş. Gayrimenkulde 2009 model vergiler, http://www.emlakkulisi.com/11427_Gayrimenkulde-2009-model-vergiler.html (Accessed on 14.02.2009)

of OO may decrease as a result of recent developments, such as the compulsory disaster insurance, higher property taxes for multi-ownership and pro-rental arrangements. This could also be accelerated if the new Turkish code of obligations is enacted and pro-renter provisions are accepted. However, in an inflationist environment OO would still be one of the most attractive investments for many Hhs.

3.6.2. The Netherlands

The Netherlands has been traditionally a renter society. Tenants are protected by several legislative instruments, such as rent protection (*Huurbescherming*), rent price protection (*Huurprijsbescherming*), rent dispute settlement (*Huurgeschilbeslechting*) and tenant-landlord consultation (*Overleg huurders-verhuurder*).

The Dutch rent policy is mainly determined by the Residential Tenancies (Rent) Act (first in 1979). According to this act, landlords can increase the rent once a year by an amount that does not exceed the limit determined by the government. This act also contains a point value system, by which the quality of the dwelling and its maximum rent are determined, however there is a maximum rent limit above which these rules do not apply (Vrom, 1997). In summary, besides initiating the construction both of subsidized rental accommodation and of OO dwellings, the central government has also intervened with rent controls and rent assistance programmes (Van Der Vlist et al., 2002:1150).

For 95 % of the rental sector, rent levels are subject to government regulation. For rented dwellings with a monthly rent of up to 621.78 Euro (in 2007), a policy known as the "liberalization limit" is implemented. Dwellings with higher starting rents – covering the remaining 5% of the total rental stock – are considered as liberalized, and rent prices in this category are determined more freely between landlords and tenants, similar to the Turkish case[54].

[54] http://www.vrom.nl/pagina.html?id=37413 accessed on 14.02.2009.

Another pro-rental law is the Housing Subsidy Act, which has been in place since the 1960s, and in which a rent allowance is provided, especially for lower income Hhs. In 2007, 1,033,043 Hhs received a rent allowance (*huurtoeslag*), which is determined according to the income, level of rent, Hh size, HHh age and personal assets available[55]. The rental sector is also supported by rent commissions (*Huurcommissies*), which are independent organisations that deal with tenant-landlord disputes, and rent prices and service costs of rental dwellings in the regulated sector[56].

The primary instruments in promoting OO have been the full deductibility of mortgage interest from personal taxable income, subsidies for the promotion of home ownership, the sale of rental dwellings by housing associations and a fund for starters[57].
The OO sector was more or less been left to market forces, with only indirect state control up to the last few decades. For OOs there is now full tax deductibility of mortgage interest from income tax, which is a rare option in Europe. In the Netherlands, the typical loan/value ratio is the highest in all OECD countries at 90% (OECD, 2004)[58]. Moreover, the sale of rented dwellings to their occupants gave pace to increases in OO (Vrom, 1997).

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[55] http://www.vrom.nl/pagina.html?id=37413 accessed on 14.02.2009. For elaboration of housing benefits, NHG guarantee and Dutch housing finance, see Appendix C:
[56] http://www.vrom.nl/pagina.html?id=37419 accessed on 14.02.2009
[57] http://www.vrom.nl/pagina.html?id=37439 accessed on 14.02.2009
[58] OECD Economic Survey of the Netherlands 2004: Housing Policies, an excerpt from the OECD Economic Survey of the Netherlands, 2004, from the section on housing policies, chapter 2, online accessed on http://www.oecd.org/dataoecd/40/21/31818634.pdf, 23.March. 2009.
For year 2004, typical loan –to-value for several OECD countries are as follows: Australia: 65 %, Austria: 60%, Belgium: 83 %,Canada: 75%, Denmark: 80%, Finland: 75%, France: 67 %, Germany: 67 %, Greece: 75 %, Ireland: 66 %, Italy: 55 %, Holland: 90 %, Portugal: 83 %, Spain: 70 %, Sweden : 77 %,UK: 69 %, USA: 78 %.
http://www.olis.oecd.org/olis/2004doc.nsf/43bb6130e5e86e5fc12569fa005d004c/02e405c3b73b9515c1256ec000794a41/$FILE/JT00175524.PDF: p. 18.

There are also other instruments in use, such as the guarantee fund for OO dwellings and "transition subsidies" for lower income Hhs who opt to buy a rented dwelling. The National Mortgage Guarantee (NHG) provides a decrease in the interest rate, and further, whenever the borrower cannot make repayments, acts as the guarantor of the loan. This guarantee is used if the mortgage is under the NHG norms (Boelhouwer and Neuteboom, 2003), and from 2002 onwards has been valid solely for dwellings of up to 265,000 Euro[59]. To take advantage of a NHG guarantee, the mortgage repayments may be no more than a certain ratio of the income of the Hh. The ratio of "mortgage repayment/income" is determined taking into account the age group, income and interest rate; while for higher ratios there is no NHG guarantee[60].

Supported by the legislative framework, Dutch housing policy contains powerful instruments for both tenure types. Especially when compared to Turkey, tenant protection is clearly apparent, which may be linked to the absence of strong OO ambitions in the Netherlands.

In summary, this chapter reveals that macro economic circumstances (such as more stable versus more volatile economies) and demographic attributes (such as young versus ageing populations), as well as ideological choices of administrations in the provision of housing (such as whether market or state dependent) determine the current housing and property systems in any country (such as pro-tenant, pro-landlord or neutral systems) (Table 1.1). The above discussion underlines the differences in the aforementioned topics in the two countries.

As a result of these processes different profiles of EHO (EHOP) have been formed, meaning paths through which Hhs become OO. These

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[59] http://www.nhg.nl/content/content.aspx?id=0&cid=8 (Accessed on 16. March. 2009)

[60] For NHG guarantee, required relations within Household income-age and interest rate, see Appendix C.

profiles are highly context-dependent, stemming from socio-economic attributes, in addition to Hhs' tenure choice behaviour and cultural circumstances. In the next section the social meanings of home ownership in the two countries are discussed.

3.7. SOCIAL MEANING OF OO IN THE TWO COUNTRIES

The meaning of home ownership differs from country to country (Elsinga, 1998:137). In countries with relatively little government regulation in housing, ambitions for OO could be prevalent, like in Turkey, since tenure security could be available only through OO. Home ownership rates could further influence the tenure choice. If, for instance, high ratios become the norm in a society, becoming a home owner could be assessed as the only way of solving the shelter problem. Turkey can be considered as being a country of this kind, where Hhs have been left to find their own housing in the market. The absence of extensive state regulation in housing made OO the sole low-risk tenure category in the estimation of many Turkish Hhs; and as such it could be stated that in Turkey, tenure security is linked to OO, since renters could face easy evictions and uncertainties in rent levels and rent increases.

In the Netherlands, as Elsinga (1998) argues, tenure security is associated with the rental sector[61] due to the subsidies available only to renters and the high quality of rented dwelling units. The high rented sector rate prevalent in the country and the availability of social rented units, especially in the central and metropolitan areas, make renting a secure tenure category in the Netherlands.

In EHO literature, national colloquialisms are said to influence tenure choice by creating ambitions and or prejudices for and against particular tenure categories (Gurney, 1999). The use of the term "home ownership" rather than "house ownership" indicates OO ambitions by associating home ownership with more than just ownership of a physical thing, in this case a house. The English adage of "*Home sweet home*", and

[61] See also Pas et al. 1983, Boelhouwer, 1988, Elsinga 1994 available in Dutch.

the Turkish version "*Evim güzel evim*", offer proof that housing is a basic element of life in the estimation of most people. Even in the Netherlands, a country known to be a renter society, there exist such adages as "*Oost west thuis best*", meaning "East west home best"; and "*Zoals het klokje thuis tikt*, *tikt het nergens*", meaning "nowhere does the clock sound like it sounds at home", which have the potential to create ambitions towards OO.

3.8. TWO WORLDS APART: ENTRY TO HOME OWNERSHIP PROFILES (EHOPS) IN THE TWO COUNTRIES[62]

Housing is a significant attribute in the socio-economic performance of any country; and the effects of policies implemented in line with socio-cultural, economic and urbanization processes on the housing stock can be wide ranging. In Turkey, under the effects of rapid urbanization, it was a free market processes with almost no state intervention that was predominant; while in the Netherlands, in order to meet the urgent housing need that arose after WWII, centralized social housing policies were dominant. The influences of these policies on the housing stock varied considerably, placing different emphasis on OO and renting in the two countries.

Historically, the housing policy profiles of Turkey and the Netherlands have differed due to the socio-economic processes experienced by the respective countries. For example, much of the stock of the Netherlands was destroyed during WWII, resulting in a severe housing shortage. To meet this urgent housing need, state intervention was inevitable, and so a social housing policy was developed and strictly followed until the 1990s, after which significant policy changes came into effect.

[62] This section of the chapter draws primarily on the paper presented at ENHR 2007 International Conference "Sustainable Urban Areas". Sarioglu, P., Balamir, M, Pellenbarg, P.H and Terpstra, P. R. A. (2007), Rented and owner occupied housing: A descriptive study for two countries-Turkey and the Netherlands and Sarıoğlu, 2008.

Turkey was not involved in WWII, and as such did not suffer the same post-war housing shortage that would necessitate state involvement. Turkey's housing crisis came after the 1980s when large-scale migration to the big cities started, and the crisis was primarily resolved through investments by private developers and other processes of private provision in the market (Balamir, 1975, 1982, 1996a). The role of the government was generally passive, with no direct housing provision by the central or local governments in Turkey, aside from some in some exceptional cases (such as in the aftermath of natural disasters).

Historical events and policies enacted in response to the problem of housing differed between Turkey and the Netherlands. Whether deliberately or not, the former allowed the development of the stock by private entrepreneurs, while the latter chose to devote such powers to its central government. This divergence in the housing policies of the two countries was coupled with differences in tenure types as well. While in the Netherlands "public renting" appeared as the solution, OO became the distinguishing feature of the Turkish Housing system. In this respect, the two countries represent opposites in terms of their housing policies.

These distinct policies have resulted in different achievements and problems. In the Netherlands, for example, an extensive social housing policy solved the housing shortage and shelter problems, however in the long term the policy resulted in a stagnant market and put financial burdens on governments (Boelhouwer and van der Heijden 1992). In addition. the implementation of subsidy programmes led to mismatches between the Hhs and housing stock (Dieleman and Van Kempen, 1994); while through the development of a mortgage law and the promotion of OO, the mortgage system has attempted to give greater choice to Hhs in recent years. In the Turkish case, the incapacity of the government to intervene in the provision of housing led to the development of unauthorized housing in various forms, including *gecekondus*. Especially after the 1960s, with massive migration from rural areas to big cities, the problem of housing became even more substantial (Sarıoğlu, 2007a).

As a result of these socio-economic processes, distinct paths have evolved in home ownership trajectories, defined in this study as "entry to

home ownership profiles" (EHOPs), in the two countries[63]. Any EHOP refers to a particular way of becoming a home owner, reflecting the repercussions from the contextual differences in demography, housing systems and housing stocks in the two countries. EHOPs defined for a country do not add up to cover the positions of all OOs, but rather reveal the prevalent ways to OO in the two countries. In the following section, the EHOPs that have been defined as a result of the comparative study are examined.

3.8.1. EHO Profiles (EHOP) in Turkey and the Netherlands[64]

3.8.1.2. Turkey

The rapid urbanization process coupled with an almost uncontrolled housing system resulted in a unique tenure typology pattern in Turkey, leading to the dominance of home ownership, and followed by private renting and unauthorized building stock. The housing choices available to Turkish Hhs did not follow cliché dynamics such as "if a householder is expecting a child, then a bigger house is desired, and the likelihood of becoming a home owner increases since owner occupied housing is on average larger". Rather, the primary motives in housing went hand in hand with Hh concerns to decrease future ambiguities and financial matters, along the thought lines of "if a house can be bought – regardless of proper matching – more money can be saved, then it becomes easier to buy the second one, which can be rented out and capital returns can be realised". Home ownership as a medium for solving both housing issues and future ambiguities leads to a vicious circle in which Hhs are forced to become home owners, as there is almost no better alternative in Turkey.

From the perspective of administrations, the housing problem was considered together with macro concerns like growth and the improvement of economic conditions. The multiplier effects of the housing industry are considered, especially by right wing parties, as being

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[63] See Figure 1.1 for the conceptualization of EHOPs.
[64] This section of the study primarily rests on Sarıoğlu, 2008.

of great benefit in periods of recession. Like the emphasis of US administrations on home ownership, considering its community improvement effects, in Turkey housing is mostly regarded hand in hand with its macro economic repercussions. The Justice and Development Party's strong emphasis on "housing mobilization", which was initiated during their first period of government (2002–2007), is mostly due to the multiplier effects of the housing industry in the macro economy, rather than real demands for housing. As a part of this mobilization project, in approximately two years the aim was to begin construction on 150,000[65] housing units, and in nine years – by 2011 – 500,000 new dwellings in total[66] (HDA, 2008) all over the country[67].

The high home ownership rates that have been maintained even in the absence of a housing finance system in Turkey can be attributed to the serious concerns of Hhs both for "shelter" and "future ambiguities", for which OO is considered traditionally as the best solution. Therefore, obstacles to EHO, such as the absence of a financial system, could be overcome through informal and personal debt relations for many Hhs. Households devoted financial resources unreservedly, marking home ownership as the safest solution to housing problems not only for themselves, but also for the following generations as well. Rather than seeking a proper housing-Hh match, the primary aim has been just to become homeowners, since even the smallest or oldest units can provide capital gains while satisfying their housing needs at the same time. Furthermore, after becoming homeowners, it becomes easier to save for second and third homes through which greater capital returns may be realized through by renting the property out. As home ownership provides many benefits to its owners, more and more Hhs have been drawn to it, resulting in the emergence of a class of home owners who are asset rich. This of course does not imply that they are "income poor", considering the credit debt payments, as real estate incomes may

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[65] HDA(2006) Research Series, No: 2. p. 85

[66] HDA(2008), Housing Implementation Programme Summary.

[67] Figures represent only dwellings constructed by the Housing Administration, and therefore do not represent the total number of dwellings constructed.

increase total incomes in numerous cases. Home ownership thus has been not only a means of shelter, but also a method of earning capital returns in Turkey, resulting in ambitions for home ownership. This process has resulted in the "emergence of a Hh class of homeowners" who, on the other side of the coin, who are the owners of the private rental sector as well. These groups of Hhs who are multi-owners, who do not pay rent themselves and who earn rental incomes, represent a prevalent understanding of "*mercenary ownership*".

Similar to high home ownership rates, high private rental ratios in Turkey arose out of the peculiar and rapid urbanization processes experienced in the country[68]. The emergence and legalization of flat ownership following the enactment of the Law on Flat Ownership in 1965 was a reply to the urgent housing needs in urban areas (Balamir, 1982, 1999). Had these not been developed (together with unauthorized housing/squatter housing – *gecekondus*), homelessness could have been *the* alternative urban phenomenon in Turkey. The renting out of privately owned dwelling units, and thus the development of a private rental sector, was made possible through the flat ownership law, which legalized an already developed form of tenure relation in urban areas (Balamir, 1999). In the absence of public housing stock, all rental stock is privately owned (Balamir, 1996b, 1999). High ratios of private rentals emerged firstly due to high home ownership rates (ambitions), and secondly because public renting as an alternative tenure form was never favoured by authorities. This type of renting pattern can be considered as too liberal, since even in countries like the United States, where market forces dominate almost all relations in housing, there is more administrative control over the private rental sector than in the Turkish

[68] The Turkish urbanization process has been examined from many different perspectives among Turkish scholars. Balamir (1982, 1996a, 1999), for instance, links the Turkish urbanization process mostly to the absence of sufficient capital accumulation in urban areas, and to the existence of socio-economic relations that arose due to flat ownership. On the other hand, scholars like Şenyapılı (1998, 2004) attempt to describe the Turkish urbanization process from the physical outcomes, like gecekondus in cities, and primarily associate the Turkish urbanization process with "urban pull-rural push" relations.

case. Furthermore, in the United States the owners of the private rental sector are not necessarily private Hhs who rent out their dwellings according to personal modalities. Additionally, the private rental sector is not the sole source for rented housing in the United States, where it is supported with public housing where possible[69].

In addition to OO and the private rental sector, the range of housing options in Turkey has a significant third component: unauthorized housing. Mainly in metropolitan cities, low income groups have developed illegal housing, known as "*gecekondus (built overnight)*", which can be defined as the appropriation of land without the permission of the right holders, upon which cheap housing is built quickly with no regard for development controls. Especially on the outskirts of Turkey's larger cities, and deprived of infrastructural facilities, maximum two-storey *gecekondus* have become the prevalent housing type. *Gecekondus*, in the beginning, were developed by low-income migrants, and governments ignored this illegal practice for years, for two main reasons. Firstly, the Hhs, who were in desperate need of accommodation, resorted to it as a remedy to their own problem, and secondly the process masked the inadequacy of governments in the provision of housing. With the enactment of subsequent *gecekondu* amnesties, these properties became legal, tuning the practice into a primitive housing provision process organized by profit-seeking groups. The dominant understanding was that "*if a household can live for a sufficient time living in a gecekondu, there is always a positive rate of return in monetary terms and the title is obtained in the end*". This process lost its innocence in time and became a major problem that has failed to be resolved by consecutive governments. The problems related to *gecekondus* fall out of the scope of

[69] The HUD rental housing assistance for low-income families and individuals fall into three basic categories: Conventional public housing, Housing Choice Vouchers and Privately owned assisted housing (Accessed online report "Characteristics of HUD-Assisted Renters and their Units in 2003" of the U.S. Department of Housing and Urban Development Office of Policy Development and Research through the link http://www.huduser.org/publications/pubasst/hud_asst_rent.html on 21. September 2008).

this thesis, since they involve identity issues, environmental and spatial quality, infrastructural inadequacies, poverty issues etc. However, this paper will include *gecekondus* from the perspective of EHO, as it is accepted as a distinct tenure type in the sense that it provides Hhs with similar use of a dwelling to that of an owner, without paying rent but for an uncertain period. The end of the process is not certain, as after demolition of the property the Hh may either become authorized owners, or in rare cases, homeless.

The unsatisfactory housing policies in Turkey were compensated for with real market processes, resulting in the dominance of home ownership. In the absence of a housing finance system, Hhs could become home owners by following one of a set of profiles that represent the dynamics of home ownership in Turkey; and these may help to highlight how Hhs are able to access the required capital resources to become home owners. In order to develop more efficient housing policies, the groups and associated processes detailed below should be examined as a valuable policy instrument. Although there are theoretical profiles that are generalized for EHO for different countries, they differ considerably depending on socio-cultural and historical processes, and political and demographic patterns. Considering that EHO is one of the most significant events and purchases of a Hh, it is strongly related with access to capital. In a study of the HDA (2006:62) it was stated that personal savings were the most frequent source of capital when purchasing a property, accounting for a 76 % of all housing finance. This figure of OOs who did not use credits from financial institutions was broken down as follows: 61.9 % from their own savings; 7.2 % through sales of existing property; 5.7 % through sales of other property; and 1.2 % utilizing savings held abroad. These figures reveal that in Turkey, the absence of a finance system was a key to the development of alternative methods for accessing capital. Therefore, the dynamics in becoming home owner lead to several profiles, which can be grouped as follows:

Inmates: The demographic attributes of the Turkish population indicate that 15.7 % of the urban and 19.3 % of the entire population are three-generation Hhs (HBS, 2003). When considered together with the tenure type, of all OO Hhs in urban Turkey, 18.5 % contain three generations of family (HBS, 2003). This is a relatively high ratio, indicating that for those Hhs the housing problem has been solved by combining the

financial resources of grandparents, parents and children in the same dwelling unit. The absence of housing finance systems, together with the inadequacy of administrations in the provision housing, have forced Hhs to live together in the same dwelling unit in order to decrease housing costs. In Coleman and Garssen's (2002) terminology, this may be accepted as an inclination to economize on space by living with relatives, and as such is considered to lead to overcrowding in most cases. This common way of living are referred to as *inmating* in this study, referring to three-generation Hhs owner occupiers. The occupancy rate[70] (Persons per room) figure for inmates is the highest among all Hh types, at 1.61.

Table 3.10: Key figures for EHOP Inmates*, in comparison with other Hh types

	Average Hh Size (A)	**Average number of rooms (B)**	**Average dwelling size (C)**	**Persons per room (A/B)**	**Unit sq. m. per person (C/A)**	**Dominant Dwelling type**
Inmates	5.80	3.60	105.43	1.61	18.17	House (49.5 %)
Single Parent Hhs	2.09	3.33	98.42	0.62	47.09	Apartment (59.3 %)
Nucleic Hhs	3.85	3.49	103.55	1.10	26.89	Apartment (61.9 %)
Other	2.57	3.57	99.88	0.71	38.86	Apartment (65.3 %)

* The figures in this table are calculated only for OO three-generation Hhs, excluding three-generation Hhs in rented dwellings, since only the former would be an EHOP (and thus can be referred to as *inmate*).

[70] Occupancy rate is defined as the number of people residing in a house per habitable room (kitchens and bathrooms are excluded). A rate of one person per room is regarded as acceptable, while more than one person per room represents overcrowding. occupancy rate"(*A Dictionary of Geography*. Susan Mayhew. Oxford University Press, 2004. *Oxford Reference Online*. Oxford University Press. Middle East Technical University. 6 November 2008 http://www.oxfordreference.com/views/ENTRY.html?subview=Main&entry=t15.e2207)

In terms of personal available space, measured by unit square meter per person, the inmates group is found to be subject to overcrowding, mostly because inmates have the highest Hh size. The inmates group has the highest averages also for dwelling size and number of rooms.

Of all inmates (OO three-generation Hhs), 49.5 % live in "house" type dwellings (as opposed to apartments). This is higher not only than those of nucleic families and single parents, which have 34.9 % and 37.1 % ratios respectively, but also than the frequency ratio of "house" type dwellings in urban Turkey, which account for 35.04 % (HBS, 2003). The inmate group is the only Hh type that tends to reside in houses rather than apartments, which is the most frequent dwelling type (61.53 %) in urban Turkey. Thus, inmating may indicate an indirect "rural" habit of living.

Inheritors, parental donations and family borrowing: High inflation rates and unstable macro economic conditions have made the investment value of home ownership significant for many Hhs in Turkey. In the absence of a housing finance system that is specifically aimed at EHO, many Hhs have become homeowners through inheritance. The efforts of parents to purchase a house are aimed not only at investment, but also at decreasing the future housing ambiguities of their children.
Becoming a homeowner increases the saving capacity of a Hh, and makes it easier to buy second or third properties. In this process, once the Hh becomes a multi-owner, then rental income may provide extra saving capacity. In the following periods, the owner's children are likely to benefit from their parents' ownership of property. As Kayıket (2003:107-8) denotes, in Turkey:

> *"Most of the beneficiaries are 30 and more aged who are already homeowners. This means that the inherited properties may find itself into the market and have impacts on the property markets … It seems also that the third generation successors (mostly grandchildren) may benefit from the inherited property more than their parents (second generation successors), since the age level of inheriting is high".*

Related to "inheritors", the group "Non-owner, but not paying rent", with a 6.44 % share (2003) (Table 3.5), comprises Hhs living in houses owned by relatives or parents in Turkey. These people are the most probable future owners of those dwellings (Sarıoğlu, 2007a). Although not literally inmates, living in second houses of parents or relatives housing is a culturally and socially accepted way for Hhs to become home owners in Turkey. This EHOPe could be accepted as a "donation" or "gift" rather than direct inheritance, yet it may also occur due to the parents or relatives having assets.

In addition to inheritors and parental donations, there are those Hhs who borrow from family members, mostly parents, in a bid to become OWNER OCCUPIERS. The ratio of Hhs who borrow from their families is 10.3 % (HDA, 2006:62) in Turkey, revealing the significance of family relations in EHO. Through inheritance, donations or borrowing, this path to EHO is revealed as a significant EHOP in Turkey.

Transfers relying on private debts: The absence of an efficient housing finance system in Turkey was substituted by private and informal debt relations between relatives and acquaintances. Considering the high ratio of home ownership in the absence of a housing finance system for many decades, the scale of private relations in EHO in Turkey can be considered high. In a study of the HDA (2006:62), the amount of private debt related to EHO was assessed to be 12.3 % of the total housing finance.

Direct purchases (using existing assets and savings): The purchase of property with one's own savings has been possible for a number of Hhs in Turkey. In the accumulation of sufficient wealth to purchase a house directly, the previous income history of the parents, available wealth and saving capacity can all be considered as relevant factors.

In urban Turkey, 6.3 % of all Hhs claim to own another dwelling unit other than the one they inhabit (HBS, 2003). If not vacant, and not used for seasonal purposes, these units may be rented out for rental income, or may be donated to children, thus entering them into the group of "Hhs who are not owners, but who do not pay rent" (Indicated in Table

3.5 as "Other"). The ratio of Hhs who own another dwelling other than the one they inhabit could be even higher in reality, as the private rental sector is made up of only private Hhs, and comprises 28 % of urban housing stock in Turkey. The owners of these rental units must have another dwelling in which they live, and such asset-rich parents and/or relatives could make the next generation "direct purchasers". This profile also indicates the relevance of the "investment value" of home ownership. If a Hh is already an owner occupier at the beginning of its housing career, then savings may be possible, making it easier to make further fortunes.

Alternatively, direct purchases could be possible for Hhs with higher saving capacities. In the HDA study (2006:62), 61.9 % of owner occupiers who did not use credits were found to have used their personal wealth for the purchase of dwellings.

Purchases through the Housing Development Administration (HDA) of Turkey: The HDA offers several options for housing, spatially distributed all over the country, especially for first time buyers and low income groups. Up until 2002, almost 950,000 dwelling units had been financed through credit facilities, and 43,145 units had been constructed by the HDA[71]. This type of policy, while opening paths to increase their savings of Hhs, and making them owners, did not immediately turn them into owner occupiers.

As a result of the "housing mobilization" policies of the Justice and Development Party, 328,300 dwelling units were completed across Turkey. For low income groups, 72,065 dwelling units were constructed between 2003–2008; and in the Gecekondu Transformation and Disaster Housing and Agriculture Village programmes a further 46,418 dwelling units were built in the same period[72]. Although the figures quantitatively represent a bulk figure in the housing stock, it cannot be said that the

[71] http://www.toki.gov.tr/ozet.asp (Accessed on 23. May 2008).
[72] http://www.toki.gov.tr/ozet.asp (accessed in 20 September 2008).

affordability problem in Turkey has been overcome. Of the newly completed stock of the HDA, only 21 % was aimed at low-income groups. Thus, even with the help of HDA, becoming an owner occupier was made possible primarily for middle- or high-income groups.

However, many of the HDA's programmes were envisaged to be a way of taking on debt that would finally lead to "home ownership[73]", although not to immediate "owner occupation". In the absence of a housing finance system in Turkey, the programmes of the HDA paved the way for home ownership for Hhs, while falling short of turning them into immediate owner occupiers. In doing so, Hhs do not primarily consider proper Hh-housing matching, but rather consider this profile as a way of saving capital that could lead to OO in the future.

Transfers with market debt programmes: Due to the past high inflation and unstable macro economic conditions in Turkey, a successful housing finance system could not been developed until 2007. Up until that time the available market debt programmes could offer only short-term credits with high interest rates. This compelled Hhs save as much as possible and obtain credits only for the remaining amounts, and when used in this manner, the market debt systems could be beneficial and contributory. The recently enacted law on housing finance, which extended the maturity period of credits and facilitated lower interest rates due to a favourable macro-economy, still needs further adjustments, however it will most probably increase home ownership rates (Sarıoğlu, 2007b). Thus, the share and significance of this EHOP is expected to increase in the future.

In 2004, the total amount of housing credits was only 5‰ of GNP, which is a very low figure when compared to the United States (53 %), the EU average (39 %) and even Middle East countries (1–22 %) (HDA, 2006:63). However, Turkey is showing promise for the future as a

[73] Home ownership, in here, does not refer to OO, unlike the rest of the study. See also Appendix A.

significant emerging market in terms of real estate, accelerated by the enactment of the Mortgage Law. At the "Housing Finance and Turkey – III" Conference, hosted by the Association of Real Estate Investment Companies (GYODER) and the Capital Markets Board of Turkey (CMB), it was affirmed that up by 2015 total mortgage credits would reach US$ 88.4 billion, accounting for 15 % of GNP (Gürlesel, 2006).

Gecekondu (unauthorized housing): The absence of state intervention in the provision of housing led to the development of unauthorized housing in various forms, including *gecekondus,* especially by the poor for whom the market forces could not generate effective solutions. Gecekondus are a major problem, especially in Turkey's larger cities. In Ankara, for instance, 19.5 % of all Hhs live in gecekondus, covering 8,306 ha [74] of the city. This is a significant indicator that affordability as a highly relevant issue in Turkey. As gecekondus provide an indefinite period of use and an ambiguous possession of a dwelling unit, which may possibly end up with ownership, the process has been followed by Hhs migrating to big cities. As a result of several amnesties, a significant number of gecekondu (Photo 1) dwellers have become legal home owners of apartment units (Photo 2).

Cannot afford: Other than these profiles, there are also Hhs who cannot afford home ownership; those for whom authorized procedures could not provide access to ownership, either due to their low saving capacity or the low income of the Hh. In a previous study carried out using the 1994 HICES[75] data set, of all the renting Hhs in the urban sample, 30.2 % were identified as having affordability problems in Turkey (Taylan, 2003).

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[74] Ankara Metropolitan Municipality, Development and City Planning Department (2006), 1/*25000 scale Ankara 2023 master plan studies* p. 326.
[75] HICES stands for Household Income and Consumption Expenditures Survey of TURKSTAT, a previous form of the Household Budget Survey (HBS) that is used in this study.

The ratio of each category in EHO may be different for various spatial units, although it is expected that in urban areas as a whole the significance of informal and private debt relations, together with inheritors and parental donations, would be highest. These eight groups also vary in terms of their perception and understanding of home ownership, not only in economic terms, but also from a social and cultural perspective. For lower income groups, for instance, it is expected that home ownership will be more of a financial security and status issue; whereas, for higher income groups home ownership may be considered more of a natural consequence in their housing careers.

The eight groups are assumed to differ in terms of general Hh features, and the grouping has been carried out considering these differences implicitly: e.g. the Gecekondu group consists mostly of low income Hhs who recently migrated to urban areas. However, displaying those variances explicitly could be problematic, since not all of these groups can be identified from the same data set.

3.8.1.2. The Netherlands

The Dutch housing system has developed in such a way that the positions of the two basic tenure types, namely owner occupancy and renting, are relatively supportive of each other when compared to the Turkish case. The system subsidizes rents for the small, younger or older and lower income groups who are relatively less stable. As a result of extensive central housing policies that have been applied for decades, the rental sector still remains as a significant tenure type in the country; and it is the system itself that has made this inevitable: it is cheaper, physically quite good and spatially available in urban areas. Public renting in the Netherlands not only competes with private rentals, but also with OO as well. The socially accepted way of living in public rental properties has made this tenure type relevant in many aspects; and for older householders (aged 65 +) renting is the prevailing tenure type (WBO, 2002). Renting is still prevalent, especially in big cities like Amsterdam and Rotterdam, where the ratios of renting are respectively 78.7 % and 71.8 % (WBO, 2002) (Sarıoğlu, et. al, 2007).

Furthermore, considering that the country did not experience the rapid urbanization and unauthorized housing witnessed in Turkey, housing

policies were able to be generated and implemented with some success, however the good macro economic conditions and lower inflation ratios did not necessarily lead to extensive home ownership ambitions. The system could offer alternatives to low income groups in the form of public renting; to unstable but moderate income groups in the form of private renting; and to high income and stable Hhs in the form of OO. The inheritor and parental donation groups witnessed in Turkey are likely to be less common in the Dutch case due to the availability of a mortgage system for wider sets of Hhs. Similarly, inmating would not be expected to be a relevant EHOP in the Netherlands due to the differences in the Hh formation processes. Recalling Coleman and Garssen's (2002: 454) arguments that the three-generation Hhs are exceptional in the Netherlands, the Dutch seem to be disinclined to economize on space by living with their relatives, or indeed with anyone else. Therefore, for the Dutch case, EHOPs can be grouped as follows:

Transfers through market debt programmes: The share and significance of this EHOP is higher than any other EHO in the Netherlands. Of all owner occupiers in the urban areas of the country, 75.7% used one mortgage, while 13 % used more than one in their bid to achieve OO (Table 3.11). Recalling that in Turkey only 3 % of owners took credits from financial institutions for their purchases (CMB, 2005), the Dutch figures reveal the significance of the mortgage system in the Netherlands, and that the housing system and policies strongly influence EHOPs.

Table 3.11: Mortgages used by owner occupiers, Urban Netherlands

Mortgage	Frequency	Valid Percent
One	22244	75.7
More	3824	13.0
None	3319	11.3
Total	29387	100.0
System Missing	4437	
Total	33824	

Source: Processed from WBO, 2002

Through the Home Ownership Guarantee Fund, almost 50 % of the dwellings bought within the EUR 265,000 limit are financed by the National Mortgage Guarantee (NHG), with an average of 75,000

guarantees a year provided by the fund. Generally speaking, NHG buyers are younger than 35, are often double-income couples or single persons, are buying existing dwellings more and more and increasingly opt for apartments[76].

Transfers without mortgage: The "Valid Percent" column of Table 3.11 shows that 11.3 % of the current owner occupiers (which may be made up of inheritors and parental donations, transfers relying on private debts and direct purchasers) in the Netherlands did not purchase their current dwellings with the assistance of a mortgage. These can be grouped under one profile for the Dutch case: transfers without mortgage.

The WBO does not provide specific information to enable a categorization of transfers without mortgage, however further assumptions can be made: In the WBO, there are 2,604 Hhs who were owner occupiers of their previous dwellings, and continue to be owner occupiers in their current dwellings. Of this group, only 4.4 % did not resort to taking out a mortgage for the purchase of their current dwellings (Table 3.12), representing Hhs who most probably used income from previous real estate and other assets in becoming owner occupiers.

Table 3.12: Mortgages used by owner occupiers, Urban Netherlands

Previous and Current Tenure	Mortgage	Frequency	Percentage	Valid Percentage
Owner occupier	**One**	2161	83.0	86.2
	More	236	9.1	9.4
	None	111	4.3	4.4
	Total	2508	96.3	100.0
	Missing	96	3.7	-
	Total	2604	100.0	-

Source: Processed from WBO, 2002

[76] http://www.nhg.nl/content/content.aspx?id=0&cid=8 (accessed on 23. September 2008)

Boat (Waterwonen): An alternative way for people to solve their housing problems in the Netherlands has been to take up residence in boats and caravans. Considering the extensive canal systems, "living on water" has emerged as a significant housing alternative in the country. The cost of living on a boat is mostly taken up by monthly mooring costs of about 200 Euro depending on the size of the boat, along with water taxes and everyday practical costs which may add up to EUR 1,000–3,000 per year.[77] By living on a boat, the resident is subject to stringently developed rules and regulations; for instance, the distance between boats must be 2 m and the distance from a bridge must be 7 m[78].

In the WBO data set, only 0.20 % of all owner occupiers live on boats or in caravans. This figure does not indicate that it is a significant EHOP, however living on boats does exist as an alternative tenure form, but is rather different from other EHOPs, since it does not involve the land related (like being fixed, durable etc.) attractiveness of owner occupation. It has been included in the study since it is a further way in which Hhs have developed and have become regulated by administrations in the Netherlands. Like other EHOPs, this one also stems from socio-economic, spatial and cultural circumstances. Just as "gecekondu" developments could not be expected in the Netherlands, living in boats would be highly unlikely in the Turkish case, while being socially and culturally acceptable in the Netherlands.

Owner occupation through the "sale of rented dwellings": As a part of recent promotions of OO, the Dutch administration has aimed to increase the home ownership rate through the sale of public rented dwellings. In WoON 2006, 5.6 % of all owner occupiers said that they had previously rented their particular dwellings. In such moves towards

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[77] http://www.expatica.com/nl/housing.html (16.09.2008) Life on a Dutch Barge (25/04/2008)
[78] http://www.expatica.com/nl/housing.html (16.09.2008) Life on a Dutch Barge (25/04/2008)

OO, there is no additional space for the owner, and yet due to personal reinvestments in the dwelling the physical quality may be improved. The aim of the administration was to sell 500,000 dwelling units by 2010, however only 108,200 dwelling units had been sold by 2006[79].

Squatting: Squatting cannot be said to have been a major problem in the Netherlands when compared to Turkey, and where it has occurred, the manner has been different. Rather than squatting unoccupied lands and constructing self-built dwelling units, as is the case in Turkey, in the Dutch case squatting is defined as living in unoccupied dwelling units in already built up areas of cities, but is not considered a priority issue. Policies against squatting are based on the prevention of stock remaining unoccupied, which is undesirable from the perspective of neighbourhood quality[80]. Furthermore, squatting in the Netherlands is a way of solving an immediate shelter problem rather than a means of obtaining a property title and becoming an owner occupier, as in the Turkish case.

Cannot afford: In addition to these profiles, there are Hhs who cannot afford home ownership in the Netherlands. Although affordability is still a significant issue in many countries, with increasing policies towards the promotion of home ownership and housing funds, specific sectors of society have been identified as target groups in the Netherlands for whom a specific fund has been developed. The "Fund for Starters" aims at urging municipalities to develop a policy to solve the problems faced by first-time buyers in the housing market, assisting them in finding a dwelling of their own[81].
In Rabobank's (2008: p3) recent study[82], a slight deterioration of affordability is expected for 2008, followed by stabilisation at a low level

[79] http://www.vrom.nl/pagina.html?id=37439 (Accessed on 12.02.2009)
[80] http://international.vrom.nl/pagina.html?id=10108 (Accessed on 16.07.2008)
[81] http://international.vrom.nl/pagina.html?id=10962 (Accessed September 2008)
[82] Report of Rabobank "Dutch housing Market Quarterly, August 2008" Accessed online at http://overons.rabobank.com/content/images/KwaWo-2008q2ENG_tcm64-83182.pdf

in 2009, which may make it even harder for first-time buyers to gain a foothold on the property ladder. This stems mainly from increases in both the money and capital market interest rates, which have had a negative impact on the affordability of housing in the Netherlands.

3.8.2 Householder age in EHO: A comparison of current owner occupiers in Urban Turkey and the Netherlands

In the absence of retrospective data on Hh–housing characteristics, the age of the head of the household (HHh) can provide a significant indication of EHO. Thus, the analysis of EHO becomes more detailed with a calculation of the average EHO age of the two countries. The available data sets in both countries include the variables of "purchase year of the dwelling in question"[83] and the HHh age. Through simple subtraction the age that the HHh became an owner occupier of the particular dwelling can be calculated.

(Purchase year) – (Birth year of HHh)= Hh's EHO age

This figure does not necessarily represent the first instance of OO, but it can be accepted as a relevant comparative indicator for EHO age, especially if the HHh is young.

(Accessed 23.March 2009)

[83] Purchase year in HBS is recorded as the year that household purchased the dwelling OR the year that the title deed was transformed to the household. If, the dwelling belongs to parents of any of the members of the household, then the year since household has been living there is recorded. Therefore, there are cases where purchase year is earlier than the birth year of household head. These cases represent the inheritance and inmating processes in Turkey. Since a HHh can not become a home owner at ages like -51, 2 or 0, when calculating average EHO age, these cases were excluded. Additionally, considering the separate household formation process, EHO ages less than 18 are further excluded. As a result, the number of cases decreased from 11859 to 11026. Without doing this it would not be possible to calculate the average EHO age and EHO age groups. For the Netherlands, as well, a similar process is followed. The number of cases for EHO age decreased from 27,282 to 27,501 in the end. EHOI sample is also same with EHO sample for the two countries.

In order to gain a better understanding, from the two data sets another variable can be recorded using the following equation to find EHO[84].

Year of Data – (Duration in that dwelling) – (Purchase year) = EHO

The EHO is divided into three ranges to provide an index, referred to here as EHOI:
EHOI = 0 indicates owner occupation, i.e. the Hh purchased the dwelling and began living there at the same time.
EHOI ≥ 0 indicates that the Hh was already owner of that dwelling, yet s/he began living in there later than the actual ownership date. In other words, s/he has been the home owner since 1967, but owner occupier only since 1973. This could happen, most probably, if the dwelling was under construction on the purchase date, in which case Hhs will have to wait until the dwelling is completed before occupying. Alternatively, the deed may have been transformed to the Hh in advance, and yet moving may only have been possible after some time. This may happen when, for instance, parents transfer the deed to their children but continue living in the dwelling as a part of usufruct right.
EHOI ≤ 0 indicates that the Hh was already an inmate in the dwelling, not a separate Hh, at the time, most probably living with his/her parents. In the process s/he became the owner occupier through inheritance or donation.

[84] For example, say Hh has been living in the property for 30 years, then he/she has been living there since 1973 (2003-30=1973). Consider that the dwelling was purchased in 1967. In this case, EHO is (2003 – 30) – 1967 = 6. In the HBS, the duration of residency in that dwelling is provided as a variable (30 years in the example), thus it is subtracted from data year of 2003 in order to obtain the exact year when the household began living there. In WBO, it is not the duration but the exact year that the Hh began living in that dwelling that is referred (1967 in the example).

Table 3.13: Descriptives for EHO age and EHOI in Turkey and the Netherlands

	Turkey	**The Netherlands**
Average HHh age in EHO*	36.79	34.95
Min EHO age (due to filter)	18	18
Max EHO age	92	89
Ave. EHO +	3.93	2.42
Ave. EHO –	–4.03	-13.01
Number of Hhs of owner occupation (EHOI=0)	7,213 Hh (60.8 % of EHO sample) (39.5 % of whole sample)	21,553 Hh (78.7 % of EHOI sample) (34.1 % of whole sample)
EHOI= +	4,118 Hh (22.5 % of EHO sample) (34.7 % of whole sample)	4,739 Hh (7.5% of EHOI sample) (17.2 % of whole sample)
EHOI= -	528 Hh (2.9 % of EHO sample) (4.5 % of whole sample)	1,209 Hh (1.9% of EHOI sample) (4.4 % of whole sample)

** This does not necessarily mean the first owner occupation age. The average, minimum and maximum EHO ages are calculated within the EHO sample, which consists of only owners from which missing cases and EHO age ≤ 0 cases are subtracted. The 6,419 missing cases in the HBS refer to non-owner occupiers, comprising 35.1%. When EHO Age ≤ 0 are eliminated as well, the sample size reduces to 11,859 Hhs for Turkey's EHO Age. In the Netherlands case, the 35,732 missing cases, which again refer to non-owner occupiers, comprise 56.5 % of WBO. Together with EHO Age ≤ 0 subtraction, the size reduces to 27,501,282 in the Dutch case. However, in order to calculate age groups and age averages, further deductions are carried out (EHO ages ≤ 18), in which the sample size is reduced to 11,026 Hhs for Turkey and to 27, 282 Hhs for the Netherlands.*

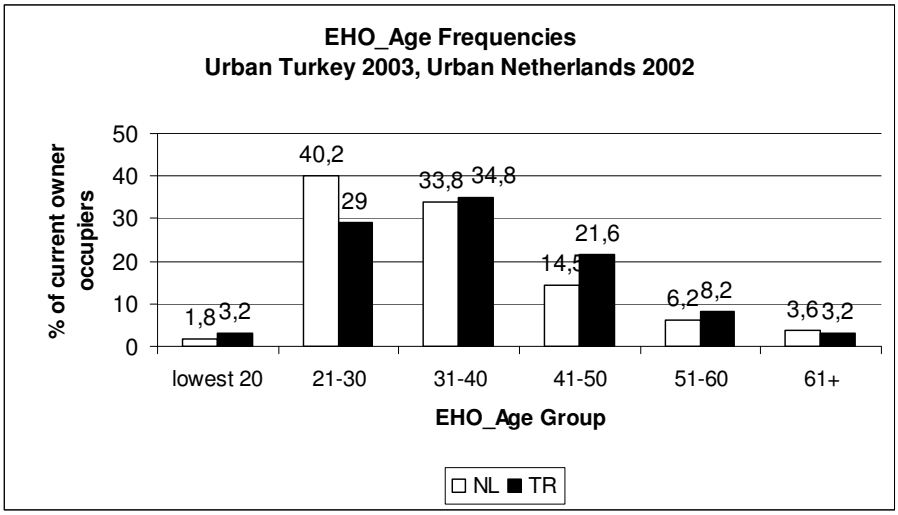
In urban Turkey, of the EHOI sample, 60.8 % bought housing units and began living in those units at the same time. This group of Hhs may fall into the EHOP of *Transfers relying on private debts, direct purchases (with own savings and fortunes), or transfers with market debt programmes and/or inheritance.* Some 22.5 % of the EHOI sample, however, most probably bought from new stock and had to wait until the dwellings were completed. This group represents homeowners that are waiting, for whatever reason, before becoming owner occupiers. In Turkey, this is equates to 3.93

years. In other words, Hhs on average wait 3.93 years as homeowners until they become owner occupiers. Thirdly, 2.9 % of owner occupiers in Turkey were initially *inmates,* and then became owner occupiers, beginning their Hh careers as owner occupiers before entering any other tenure.

In the Netherlands as well it is the EHOI = 0 group that is the most significant, with a ratio of 78.7 % indicating *transfers with mortgage*. Some 7.5 % of the EHOI sample, however, has to wait some time before becoming an owner occupier. On average, this is 2.42 years, lower than Turkey, meaning that Dutch Hhs spend 2.42 years as homeowners, but non-owner occupiers, before moving to their own dwellings (or when the title is transferred to them). Lastly, 1.9 % of the Dutch owner occupiers were initially *inmates* or *"not a separate household" (for the Dutch context)*, finally becoming owner occupiers in the process. In this case, the Hh is already an owner occupier before forming a separate Hh.

The average EHO ages for both countries are close to each other: 36.79 for Turkey and 34.95 for the Netherlands. The EHO age group frequencies demonstrated in Figure 3.8 are also similar: Hhs who became owner occupiers younger than the age of 20 (EHO age) for instance account for 2.6 % of the total in Turkey and 1.8 % in the Netherlands. This similarity is also valid for the 31–40 EHO age groups, which are 34.8 % and 33.8 % respectively.

Figure 3.8: EHO age Group frequencies for urban Turkey (2003) and the Netherlands (2002)



Source: Processed from HBS, 2003 and WBO, 2002.

A major difference can be observed in the 21–30 EHO age group. While 40.20 % of the current owner occupiers in the Netherlands entered into OO in the 21–30 year demographic, in Turkey this ratio is 29 %. For Turkey, the most significant age category is 31–40, as 34.8 % of owner occupiers in Turkey became so in this age group, on average 10 years later than Dutch Hhs. This finding supports the previous discussions of "late ownership" for Turkey (Sarıoğlu, 2000; 2003) (Figure3.14).

Table 3.14: Frequency and % of EHO age, and % of HHh age, Turkey 2003, The Netherlands 2002

	Turkey			Netherlands		
	Frequency of EHO age	**Valid % of EHO Age**	**Valid % of HHh Age***	**Frequency of EHO age**	**Valid % of EHO age**	**Valid % of HHh Age***
lowest through 20 (18-20)	357	3,2	,0	490	1,8	,2
21-30	3195	29,0	4,8	10963	40,2	13,7
31-40	3835	34,8	21,2	9222	33,8	28,2
41-50	2387	21,6	29,2	3943	14,5	23,8
51-60	902	8,2	22,8	1680	6,2	17,9

highest through 61	350	3,2	22,0	984	3,6	16,2
Total	11026	100,0	100,0	27282	100,0	100,0

Source: Processed from WBO 2002 and HBS 2003. HHh age and EHo age younger than 18 are omitted for both countries.
**HHh age percentages represent whole urban samples, not only owner occupiers which is the case for EHO age frequency and percentages.*

Table 3.14 indicates that of all the current owner occupiers in Turkey, only 3.2% entered into OO before the HHh was 20 years old, while 34.8 % were in the 31–40 age group. The Dutch figures demonstrate an earlier EHO when compared to Turkey[85]: Of the all the current owner occupiers in the Netherlands, 40.2 % became owners when the HHh was aged between 21–30. These results are noteworthy when compared with the current HHh age frequency distributions. Although Turkey is characterized by a younger population, due to the late Hh formation process the ratio of Hhs in the 21–30 age group is relatively small (4.8 %) when compared to the Netherlands (13.7%).

EHO, like many other issues in housing, has a strong link to the socio-economic circumstances of a country and the housing policies that have been developed. When the EHOPs are determined for a country it becomes easy to understand what the results of the applied system have been, and serves as an indicator of how policies need to be developed or modified.

The *inmates* group in Turkey, for instance, stems mainly from the Turkish Hh formation process, in which living together with parents and even grandparents is socially and culturally acceptable; however this is also a result of the absence until 2007 of an extensive housing finance system offering long-term credits. Hhs attempted to decrease costs by living together in larger Hhs, leading to overcrowding. When this situation is comprehended in this manner administrations may be more successful in

[85] Late EHO in Turkey is further elaborated in 6.2.1.1.

developing housing policies. In this case, the problem of overcrowding could be solved either by improving the housing finance system (like making inmates a special and priority group), or by offering them larger dwellings units, for example with more rooms, reducing the problem of overcrowding. While the former policy modification would lead to more privacy/individuality for Hhs, the latter would solve the problem while maintaining the current Hh size and living habits.

In the Dutch case, the EHOP of *transfers with mortgages* is found to be the strongest grouping, since in a country where housing has been evaluated as one of the most significant intervention domains of administrations, comprehensive policies, including housing finance, would certainly be provided. Not surprisingly, Dutch administrations favoured the promotion of renting more in the immediate post-war period, but also developed a mortgage system to satisfy the demands of those seeking to become owner occupiers. The alternatives in the system are complementary to each other, with Hhs not being forced to find alternative sources of capital, unlike in the Turkish case.

A final remark can be made related to the average age of marriage in the two countries (26.1 in Turkey, 36.3 in the Netherlands for males). Assuming each 26-year-old male in Turkey will form a separate Hh, this means that 6,410,891[86] new Hhs will be formed based only on marriage within the next 10 years, meaning 6,410,891 dwellings will be needed accordingly. This demand is likely to be in the form of smaller, two room units. However, considering the EHO age identified for Turkey, these Hhs will become owner occupiers in 10 years. EHO flows are found to bring extra space (Section 5.5.1;) in 65 % of the moves in Turkey (Ankara), which means that within a 10-year period, more than half of

[86]Calculated
from:
http://report.tuik.gov.tr/reports/rwservlet?adnksdb2=&report=turkiye_yasgr.RDF&p_yil=2008&desformat=html&ENVID=adnksdb2Env

these Hhs will move to larger dwellings, meaning a requirement of some 4,167,079 dwellings with two rooms or more within 10 years.

A similar discussion can be opened for the Netherlands, where Hh careers generally start at the age of 18 rather at the time of marriage. In the Dutch case, in 10 years 2 million[87] new Hhs may be formed as people reach the age of 18, requiring that amount of smaller units in the stock. The age of EHO in the Netherlands is identified as 34, thus within 16 years (34 – 18) these same people may be looking to make an EHO. EHO in the Netherlands (ROA) is found to bring extra space in all cases (100 %) (Table 5.30), therefore, 2 million larger units will be needed within 16 years.

If the opposite figures were valid for the two countries (18 years for Hh formation in Turkey and 26 for the Netherlands), then in Turkey 6,508,090 new Hhs would be formed and would become owner occupiers, moving to larger dwellings, at the age of 34. This would mean 6,508,090 two-room dwellings at first, and eventually 6,508,090 larger owned occupied dwellings in 16 years (almost 2.5 million more dwellings would be required when compared to the initial example). In the Netherlands, 1,000,700 two-room dwellings would be necessary at first, and in 10 years, when they become owner occupiers, 650,455 units that are larger or have more rooms would be required for owner occupied dwellings (compared with 2 million units from the first example).

These examples support how changes in EHO may have major consequences. The two contexts present distinct EHO processes that could have a variety of repercussions in the two countries. The EHOI that has been developed and the EHOPs identified in Section 3.8 are a simple way of categorizing the EHO processes of the two countries. A better understanding can be acquired when the findings are studied with reference to HHh age frequencies, and by utilizing retrospective data

[87]Calculated from http://www.cbs.nl/en-GB/menu/themas/bevolking/cijfers/extra/piramide-fx.htm

sets. The aim has been to deconstruct the whole into its composite parts and associate EHO with socio-economic and demographic attributes. In doing so, the main problems have been data limitations, especially for the Turkish part, and further difficulties arose due to the inherent problems in carrying out a comparative study. However, the study can be said to highlight that the housing systems and demographic differences of the two countries have resulted in a significant divergence in housing outcomes of the two countries, influencing the EHO process. From another perspective, when EHO is taken as a single coherent issue in a housing system, policies may be developed more efficiently, and many other entities in housing systems (such as Hh features and housing stock attributes) could be manipulated, since they are directly related with EHO process.

In the next part, the research findings of the analysis are summarized.

3.8. DISCUSSION AND SUMMARY OF FINDINGS

In previous literature, it has been frequently denoted that EHO is a function of Hh attributes, housing stock characteristics, macro economic circumstances and cultural values. Accordingly, it is generally expected, for instance, that when an income increase occurs in a Hh, EHO may be triggered; or, as the householder becomes older, EHO may be more frequently considered and chosen as a tenure type. Related to Hh status, the number of these hypotheses can be increased to include timing of marriage, existence/number of children, Hh size etc. Similarly, such hypotheses may further be developed to include socio-cultural factors such as the effect of language, or the characteristics and composition of the housing stock.

These hypotheses can be developed only taking into account the discussions in EHO literature relating "tenure status" to Hh features such as Hh income, age of the HHh or Hh size. Such hypotheses can be generated for any country (or any other spatial unit) in advance, without information on the context, comprising the housing systems, the demographic and cultural circumstances and the economic situation. They are therefore high level and more theoretical statements that do not include the contextual circumstances of the two countries.

Preferably, a better understanding could be gained from the development of arguments after a contextual comparison (like Chapter 3

in this study). Combining both the general hypotheses of previous literature and the contextual comparison of this chapter, several propositions can be developed for the two countries that consider both their demographic and socio-economic contexts. Those latter ones, for the purpose of this study, are known as *case specific propositions*[88], referring to combinations of *a priori expectations/relations of the literature among the factors* and *the research findings of the contextual study* for the two countries. In other words, case specific propositions involve (1) arguments raised in previous literature, (2) findings of the contextual comparison, and (3) the personal hypothetical expectations of the author about future repercussions. The general hypotheses are refined to obtain case specific propositions.

The research findings in this chapter are reviewed together with their possible future repercussions in the two countries, making it possible to review the findings and combine the arguments of the literature simultaneously.

3.8.1. Demographic factors

In previous literature, both demographic factors and the composition of the population have been linked to EHO (Clark et. al, 1997; Morrow-Jones, 1988). The two countries display different demographic features. Considering the population forecasts and the high ratio of young people in the population of Turkey, it is expected that the housing need of newly forming Hhs will generate still higher housing demands in the near future. However, this rapid increase in population may lead to rapid aging of the population in Turkey in the future, and thus other issues, such as maintenance and transformation of housing units etc., may come to the agenda rather than the meeting of urgent housing demands. These types of issues are already on the agenda of the government in the Netherlands, as the ageing of the population is more problematic, and so rather than the construction of new dwelling units it is the rehabilitation

[88] See Appendix A and Chapter 4 as well.

and transformation of the existing stock that may be a requirement for the Dutch case.

The household formation process influences EHO (Doling, 1976 [Family life cycle]; Morrow-Jones, 1988 [Life cycle factors]; Dieleman and Everaers, 1994 [Life course]; Clark et. al, 1994 [Life course]; Kendig 1984). As Hhs are formed at an older age in Turkey when compared to the Netherlands, it is anticipated that when a private Hh is formed, it is at a stage where the Hh has already reached a mature age and a stable income, which are of benefit for EHO over continuing to remain in the rental sector. This may also lead to "late or postponed ownership" in Turkey when compared to the Netherlands, since Turkish Hhs begin their individual housing careers at a relatively older age. However, since the age of the first marriage is lower in Turkey than in the Netherlands, this may not necessarily happen.

In the Dutch case, separate Hhs are formed at a younger age (not primarily due to marriage), which facilitates a longer period of unstable life and a preference for renting. Hence, Dutch Hhs are expected to follow the "first renter, then owner" sequence in their housing careers more strictly when compared to Turkey. Such Hhs may stay in the rental sector due to unstable and uncommitted life styles, which may necessitate an adequate rental stock that can meet the demands of the future.

3.8.2. Household characteristics

As Hh circumstances affect EHO (Dieleman and Everaers, 1994), wide differences between Turkey and the Netherlands are likely to lead to different EHO processes in the two countries. Household size distributions reveal that Turkey is characterized by larger Hhs. Therefore, according to the studies related to tenure status and Hh characteristics (Mulder and Wagner, 1998; Megbolugbe and Lineman, 1993), Turkish Hhs are expected to prefer home ownership, since the stability and commitment levels offered are higher than in the Dutch case which in turn makes future Hh decisions possible, and sometimes inevitable. Similarly, because of the larger Hh sizes in Turkey, it is expected that the housing stock should be dominated by larger dwellings with more rooms to meet the space requirements.

It should be emphasized here that the effect of Hh characteristics on tenure choice could be observed clearly if the state had a stronger role in housing, as it would be able to control and organize the moves of actors favouring OO for some attributes of Hhs, and encourage renting for other attributes. In the absence of direct state intervention into housing in Turkey, Hhs have developed alternative methods of accessing housing or home ownership that are not easily categorized. Both renting and OO do not appear to be equal options for Hhs, making tenure choices that depend less on their Hh features. Thus, rather than events in the Hh life cycle, it is income and parental resources that are likely play a major role in EHO in Turkey.

In the Netherlands, however, Hh characteristics can be expected to play a stronger role than in Turkey due to the strong presence of the state in the provision and regulation of the housing stock.

Cultural differences are assumed to affect EHO differently in the two countries. Owner occupancy ambitions are expected to be higher in Turkey due to higher inflation rates, and thus higher investment expectations, attributed to home ownership. In addition to financial security, such expectations of Hhs would possibly include social security. The absence of ambition for OO in the Netherlands is no real surprise, considering the wide availability of state-supported housing options in the housing system.

3.8.3. Housing stock characteristics

As well as Hh and demographic attributes, the characteristics of the housing stock also affect EHO (Dieleman et. al. 1994). It could be argued that as a result of the large private rental sector in Turkey, the differences in the physical qualities of rented and owner occupied dwellings can be expected to be smaller than those of the Netherlands, where the rental sector has primarily been developed by the state in the form of public renting. Therefore, the widely believed discrepancies of size, number of rooms between owner occupied and rented housing may not be valid for Turkey. On the other side of the coin, it may be expected that in Turkey EHO in many cases does not necessarily bring extra space, and as such does not solve the problem of overcrowding.

Therefore, although EHO could lead to increases in "size" and the "number of rooms", these changes do not necessarily bring extra space due to the larger Hh size in Turkey.

Contrarily, in the Netherlands, due to the existing public rental sector and the private rental and owner occupied sectors, it can be anticipated that the differences between owner occupied and non-owner occupied housing will be wider in terms of size when compared to Turkey. Such differences are expected to favour EHO more than in the Turkish case, especially when the size of Hhs increases, since such increases would require more space.

3.8.4. Housing Finance

EHO is strongly related to the financial circumstances not only of Hhs, but also of administrations, while also being influenced by the availability of a finance system and inflation rates (Dieleman et. al, 1994; Mulder and Wagner, 1998). When a high ratio of home ownership in the absence of mortgage system exists, it is parental contributions and/or personal assets that can be assumed to be the primary source of finance in Turkey; while in the Netherlands, it is the availability of mortgages that can be said to have a stronger influence on EHO.

As Turkey was characterized with extremely high inflation rates until recently, coupled with a less-developed insurance system, the attractivity of OO in the Turkish case can be said to be mostly due to its investment value. The belief that *"OO brings capital gains and provides a hedge against inflation"* are not anticipated to be dominant in the Netherlands.

Since the current legal framework in housing finance in Turkey mainly rests upon the financial appropriateness of the buyer; financial resources such as income, number of earners etc. can be expected to have a stronger influence than major life-cycle events in Turkey. In the law on housing finance in Turkey, it is only the financial eligibility of the applicant that dictates whether mortgage credits can be granted for the purchase of a house, including second houses, and as such the home ownership rate is likely to increase in future.

In the Netherlands, where there is a steady mortgage system, the OO ratio is likely to increase in the future as a result of government policies promoting OO. Currently, the sale of rented dwellings is falling short of the target, yet administrations are passionate about following these policies.

3.9. CONCLUSIONS

In this Chapter, a contextual comparison has been carried out to evaluate the macro conditions in the EHO processes of the two countries. The comparison revealed significant differences in terms of demographic factors, Hh characteristics, housing stock attributes and housing finance, all of which have lead to unique EHO processes in the two countries. As a result of the comparison, case specific propositions have been developed through which the contextual differences in the two countries are highlighted. In addition, recalling the arguments of previous literature, the expected repercussions of these discrepancies have been provided.

Depending on the descriptive and historical examination of each case, EHOPs were developed to reveal how Hhs have become owner occupiers in Turkey and the Netherlands. For Turkey the EHOPs identified are *inmates; inheritors, parental donations and family borrowing; transfers relying on private debts; direct purchasers (with own savings and fortunes); purchasers via HDA; transfers with market debt programme; gecekondu (unauthorized housing)* and *cannot afford*.

The EHOPs defined for Turkey mostly reflect the absence of state support in housing provision, as they are generally individualistic efforts that have been developed privately. The only exceptions are EHOPs of *purchasers via Housing Administration (HA)* and *transfers with market debt programme*. In the Netherlands, the EHOPs identified are *transfers with market debt programmes; transfers without mortgage; boat (waterwonen); owner occupation through the purchase of a social rented dwelling; squatting* and *cannot afford*. These EHOPs strongly reflect the effects of the strong governmental regulation that has been implemented extensively in the country.

In the next section, the methodology of the study is revealed prior to the launch of an empirical comparison, beginning with a theoretical discussion on housing theory and comparative research, and including available data, the variables used and the research questions.

CHAPTER 4

METHODOLOGY FOR THE ANALYSIS OF EHO

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METHODOLOGY FOR THE ANALYSIS OF EHO

In this thesis, a comparison of the housing systems of Turkey and the Netherlands is made. Before reviewing the cases, a survey of previous literature offering comparative housing researches is provided so as to reveal explicitly the rationale behind the methodology of comparison.

4.1. HOUSING THEORY AND COMPARATIVE HOUSING RESEARCH

4.1.1. Housing Research

Housing in general, and home ownership in particular, are complex issues. As Tekeli (1996b) denotes, the problem in defining the housing issue is mostly related with its being "relative" in three aspects. The first relativity is associated with the primary mechanisms involved in the provision and control of housing, being the market, or the planners and the state. The second relativity stems from the fact that the function of housing is different for households (Hh) and the state. Thus, the problems in housing may be related only to some of its functions, rather than all of them, being seen as a shelter, a consumption good, a means of investment through speculative value increases, a mechanism to provide security to people in society, a means for the reproduction of societal relations, a cultural artefact in transformation of the physical environment, and so on. Furthermore, the problem is exasperated as a particular function may change in time. The third relativity is that solutions developed for housing may bring benefits to some, while causing problems for others, which further increases the complexity of the topic.

In addition to these relativity issues, housing research, as a branch of social sciences, raises problems related to ontological and epistemological concerns. As Rapoport points out (2000:145), among the many significant topics in social sciences, housing is a striking example of a branch in social sciences in need of a theory. To the author, there is a vast amount of information and a plethora of disconnected pieces of

empirical research in previous housing studies, yet in the absence of even a conceptual framework it is hard to subsume the huge amount of data into an easily understandable format.

Furthermore, since social sciences developed historically later than natural sciences, the tendency among many social science scholars continues to be to adopt the existing theories of natural/positive sciences into social sciences. However, as claimed by Oxley (2001), there are many scholars who believe that natural and social sciences are vastly different, and the most determined critics of this école mainly highlight the inherent differences between the objects of natural and social sciences. To put it differently, the clear line between the object and the subject becomes blurred in social sciences, making the application of theories in natural sciences inconsistent with social sciences. Sayer (1985) further claims that social sciences are contextualizing in character rather than law seeking, due to their being "open systems" in which conditions cannot be sustained and repeated, as they can in natural science laboratories time and time again. In his opinion, the generalizing tendency of the "grand theory" understanding should not and cannot be applied to social sciences, since unique aspects also have explanatory powers, as regularities do in social sciences. He also suggests that broad generalizations may be descriptively comprehensive, but their ability in providing an explanation is weak. On the other hand, local studies are more explanatory, although they may be limited in coverage. Hence, Sayer affirms that in socio-spatial research, both the necessary generalizations and the contingent differences should be included.

Similarly, Oxley (2001: 101), alluding to the differentiation between the terms "scientific" and "scientist", argues that scientific research does not necessarily lead to universally acceptable results. He denotes additionally that built on social and historical facts, social science is not necessarily a good predictor of the future. What happens in natural sciences should not be expected to happen in the same way in social sciences, and that in his opinion researchers engaged in comparative housing studies should not be worried if they do not come up with grand generalizations, as this should rather be seen as a challenge.

The same assertion was also made by Gramsci (2003:158):

> *"Each research activity has its own method and generates a unique science; that is the method develops as the research and science develops and become integrated at the end. Therefore, to adopt a method which had been integrated formerly with a particular research activity, by looking at the good results of that method in that area of research, means knowing nothing about science."*

Put differently, social sciences, which employ theories from distinct disciplines, of which representation-ontology-model consistency has been formerly achieved, may not bring same successful results. Those internally consistent representation-ontology-models do not make a "consistent whole" when used together with other disciplines. This creates a huge problem for social sciences, in which there is need for improvements in the *cliché* knowledge representation methods. Research on social sciences, and thus on housing, encounters several difficulties.

4.1.2. Comparative housing research

As Ball et. al (1988) argues, comparative housing research is as old as housing research itself, and moreover states that:

> *"Seeing how they (other countries) do it 'over there', plus strong doses of national pride and rivalry, have always led politicians and researchers to venture to other lands to read potted summaries of different housing systems." (Ball et. al, 1988:7) (Parenthesis mine).*

Boelhouwer et al, (2000:3) denote further that since the end of the 1970s there has been a revival of international comparative housing research, from such authors as Donisson and Ungerson., 1982; Ambrose and Barlow, 1986; Ball et al., 1988; Barlow and Duncon, 1992; Boelhouwer and van der Heijden, 1992; Kemeny, 1992, 1995; Harloe, 1995; McCrone and Stephens, 1995; Balchin, 1996; Kleinman, 1996; and Oxley and Smith, 1996.

The reasons for this increasing interest are many, yet Oxley (1991) categorizes them as follows:

- *To increase knowledge and provide insights to others*
- *To develop ideas for new policies*

- *To collect material to reject or to support new judgments*
- *To research housing in broad terms to understand the system better*
- *To determine the relationship between housing and other variables*
- *To investigate the operation of professional groups in housing*
- *To examine theoretical techniques employed by other researchers in other countries*
- *To obtain new ideas and formulate new hypotheses, and*
- *To test hypotheses.*

There are also numerous centres in the world carrying out comparative housing research[1], aiming to provide insights for the generation of better policies in urban development/rehabilitation. These centres help to create a clearer picture of the current situation and may inspire change; and the results of such comparisons can add to the existing theories[2]. This thesis will add to the existing literature with a comparison of the Netherlands and Turkey.

Comparative housing research carries the inherent difficulties of general housing research, while bringing its own problems as well. Lawson (2001: 29) says that although the purpose of comparative housing research is clear, the epistemology and the ontological bases are not generally explicit. She further states (2001:30):

> *"The attractiveness and curiosity of international research often overshadows the difficulties of tackling more complex issues such as the focus of comparison, rationale for case selection, the time period to be analysed, the uniqueness of institutions and the path dependency of housing and urban phenomena. At the methodological level, there are a number of coherent 'packages' of ontology and epistemology that help to clarify the comparative research strategy. These include positivist*

[1]Delft University of Technology, NL; the University of York, UK; De Montford University, UK, etc.
[2] http://www.tudelft.nl/live/pagina.jsp?id=15c423d2-70cd-42e8-a714-7be6d0fa9879&lang=en (Accessed on 23.March. 2009)

> *deduction, interpretive abstraction, and realist retroduction. Conscious selection of such a package is important, as the choice determines the object or level of comparison."*

These criticisms are relevant in may aspects, however there have been several significant studies that should be raised here, including those to categorize the existing approaches (Oxley, 1991; 2001); to develop alternative methods (Sommerville and Bergsson, 2002; Kemeny and Lowe, 1998;) and to attempt to adopt existing theories into housing, such as the use of regulation theory in comparative housing research (Goodwin, 2001).

Oxley's article (1991) is relevant in the sense that almost all of the classifications are referenced to, or are developed from, his categorizations. In 2001, advancing the study, he categorized comparative housing research into four levels from zero to high, depending on the information provided, methodologies implemented and questions asked. At the zero level are the studies with no systematic comparison, which attempt to explain policy developments or institutional arrangements in an individual country to the audience (Oxley, 2001: 93). The low level studies are mostly descriptive and cover several countries[3]; while the mid-level researches supposedly draw lessons from other countries in terms of policy and practice. Finally, there come the high-level comparative housing studies, which include systematic methodologies and analytical approaches, coupled with an explicit theory and a high level of empiricism. These are generally carried out to provide answers to more specific questions[4].

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[3] Sarıoğlu (2007a) may be an example of this group in which housing system in Turkey has been investigated mostly in a descriptive manner, but to some empirical degree in relation to several European countries.

[4] Sarıoğlu et al. (2007) may be a representative of between middle and high level researches since it includes systematic examination of the two countries with a specific concern of "owners and renters". Yet the theory beneath the study is not explicit and the empiricism level could be considered to be middle rather than high.

Oxley's (2001) emphasis is that housing research may be necessary at all levels, but not all of them should be known as comparative. Furthermore, he states that comparative housing research still necessitates different types of analysts, including explorers, empiricists, theorists and scientists.

Kemeny and Lowe (1998) also make a categorization in comparative housing research. To them, at the lowest level are the "juxtapositional analyses", taking a particularistic approach in which almost no generalizations are made from the empirical study. On the other side of the coin are "convergence analyses", in which universalistic and global approaches are applied, and are mainly focused on similarities rather than contingencies in the search for a theory. In between these two ends of the scale are "divergence analyses", by which both the regular and contingent aspects of housing are taken into the analysis. To the authors, using the last example as a mid-range theory, both the above and below scales can be comprehended and historical and cultural issues may be included, making the theory robust.

In their wide-ranging article, Somerville and Bengtsson (2002:) argue that both social constructionism and sociological realism are unsuitable for application to housing research, criticizing the former for being too subjective, and the latter for being too objective. The authors claim that the discursive reality that is emphasized by social constructionism and the significance of revealing deeper layers of the social reality highlighted by realism cannot be denied in housing research. Their alternative proposal is, therefore, critical realism, in which the advantages of both approaches are included in housing studies.

The above discussions are relevant for this thesis as a comparative housing research. Knowing the difficulties in theorizing housing, this thesis attempts to adopt a central path, based on the following assumptions:

Related to the general discussion:

- Once it is accepted that social sciences are different from natural sciences, the expectations of a "grand theory" understanding diminish. What fits perfectly into natural sciences is not necessarily scientific from the perspective of social sciences.
- Although many housing researches may be devoid of theory, as Oxley (2001) argues, comparative housing research *can* be scientific. Therefore rather than avoiding it, alternative modes of research and different methodologies should be developed. In this thesis, a framework for analyzing the process of entry to home ownership (EHO) is developed that is more than just an application of a statistical model and the establishment of coefficients of a regression analysis, which would reproduce the blinkered "black box" approach. Instead, the model in this thesis refers to steps to be taken towards obtaining a comprehensive understanding of the dynamics within the process, which combines the context with a general hypotheses, and associates macro with micro conditions, and exogenous with endogenous factors.
- In this study, it is argued that use of an empirical research in a comparative housing research is necessary, but is not adequate by itself, as the research should also include qualitative/historical/cultural data. In doing so, problems stemming from *only* quantitative OR *only* qualitative research methodologies in housing research can be outweighed. The sum of all the research findings will combine to provide a better explanation of the research questions.

Related to entry to home ownership:

- In this thesis, by entry to home ownership it is the move from non-owner occupancy (NOO) to owner occupancy (OO) that is implied rather than the move from renting to ownership. The latter would be misleading, firstly because renting in both countries may refer to different legal arrangements between tenants and landlords. For instance, in Turkey renting corresponds only to private rental, in which there is no cost

subsidy and/or rent allowance system. Contrarily, in the Netherlands the rental sector comprises both private and public renting. Furthermore, the landlord is always a private householder in the Turkish case, which may imply unwritten informal relations among the parties, but the same cannot be said for the Dutch case. This conceptualization (of EHO as the move from NOO to OO) is convenient since NOO and OO refer to the same tenure structures in both countries: OO is the type of tenure where the householder resides in the dwelling unit they own. Similarly, NOO refers to the tenure type where the householder is not the owner of the dwelling in which s/he resides, whether paying rent or not. The Dutch Ministry of Housing, Spatial Planning and the Environment (Vrom) highlights the possible differences in social housing even in the European perspective. In the document[5] of the ministry it is stated that the term "public sector rented accommodation" is often used as a synonym for the rental market, but using this term ignores the rented and owner occupied housing provided by the cooperative sector in several countries, and disregards the fact that owner occupied housing could have social functions as well.

- Additionally, in Turkey there are Hhs who do not pay rent, and do not own the property (inmates[6]), and as such are neither owners nor renters. The study covers those groups only if the EHO process is defined as the move from NOO to OO. The move from renting to ownership would not cover inmates.
- Recalling Mulder's (1996) classification of housing choice models, in this thesis Hhs are assumed to make a housing choice only in limited periods, rather than continuously. In other words, they are assumed to consider moving only when something significant (trigger, event) occurs. Secondly, the emphasis is on

[5] http://www2.vrom.nl/docs/internationaal/HousingNL.pdf (Accessed on 20 March, 2009)

[6] See Section 3.6.1 for further information.

the conditions under which people move to OO, rather than simply expressing it as an issue of price and the income elasticities of housing demand. Furthermore, Hhs are assumed to make their housing choice within a bounded rationality[7], meaning that they may not have full, up-to-date and correct information on the housing market; and even if they do, they may still make irrational and emotional choices. On the other side of the coin, rather than being purely utilitarian, this means that the EHO process does not involve necessary relations, but rather rests on contingent relations.

- This thesis attempts to investigate contingencies in EHO through the development of case-specific propositions. Although hidden in many cases, it is contingencies that are argued to make the real difference in housing systems. In order to develop case-specific propositions, contextual discrepancies are determined after making a descriptive analysis of the two cases.
- No explicit choice modelling has carried out in this thesis for two reasons: firstly, owing to the limits of available data; and secondly, so as to avoid the use of mathematical models in a housing research. The aim is to establish links between several housing and household stock attributes and reveal the occurrence of the move (EHO) at a certain time stage, and to explore the interconnectedness of such moves with the overall (macro) attributes of the social and economic system. It should be noted that this is not a time interval study, which would require longitudinal data sets and retrospective information.

[7] For more information on bounded rationality, see Simon, H. A. (1982) Models of Bounded Rationality, Cambridge, Mass.: MIT Press, 1982; Simon, H. A et. al (1992) Economics, bounded rationality and the cognitive revolution, Eds. Egidi, M. and Marris, R. Brookfield, VT : E. Elgar Pub. Co., 1992.

Related to the comparison:

- Comparative housing researches are especially relevant for Turkey, firstly because it is an interesting case, having followed a path that is uniquely different from Welfare European countries where governments have been a major provider in housing; and secondly, such a research would fill a void that exists in the institutional set up of the Turkish housing system, for which an exchange of experiences would be required. Finally, in the process of accession to the European Union, a juxtaposition of the Turkish housing system would be beneficial. These factors make it necessary to describe Turkish housing in a comparative manner, which will provide insights for policy change and institutional requirements, and will finally explain the set of co-relations in similarities and differences.

- For the Dutch case as well the comparison offers significant benefits. The juxtaposition of the Dutch housing system with that of Turkey highlights not only problems but also potentials. There are numerous studies comparing the Dutch housing system with those of the German, US and UK housing systems, however a comparison with an extremely different case, in this case Turkey, serves to strongly highlight the divergences. Through the case study, the use of market forces and flexibilities in a housing system are revealed. This type of policy ex-change may also lead to households having more say in their tenure choices.

To cope with these difficulties in housing research, a realist distinction between the necessary and contingent is followed in this thesis, which may be accepted as a preference to adopt a midway approach (critical realism and divergence analysis). Therefore, not only the historical contexts of the two countries are revealed, but also the semantics of home ownership, which are included as significant aspects of EHO. In comparison, the *"general hypotheses*" developed in previous studies are

employed in order to formulate "*case specific propositions*"[8]. These propositions are developed from the juxtapositional comparison (Chapter 3) and highlight contingencies for EHO in the two countries. Directly stemming from the contexts of the Turkish and Dutch cases, case specific propositions are examined in detail in Chapter 5, and then employed in the development of housing policies.

The general hypotheses raised in existing literature are noted, and case-specific propositions are developed in Section 3.8.

To conclude, the questions put forward by Oxley (2001) as essential when conducting comparative work: "*What is being compared, and for what purpose?"* find a clear answer in this thesis: This is an analytical examination of the differences and similarities of housing systems in terms of the transition to home ownership, through a comparison of the Netherlands as a welfare country, and Turkey as a developing market-based housing system. The aim is to explain EHO processes in the two countries by analyzing macro and micro factors, and by adopting different methodologies, analyses and data sets. In doing so, various techniques – from historical to descriptive analyses, and from empirical to qualitative analyses, are employed.

4.2. METHODOLOGICAL BACKGROUND OF TENURE CHOICE (EHO) STUDIES

European and American scholars follow different attitudes in studies of tenure choice. European researchers try to explain this transition with micro level analyses that are based on household characteristics. In such analyses, housing supply is considered as an exogenous factor, as in many European countries there are extensive government interventions in the housing sector. American researchers, on the other hand, consider housing according to market dynamics, and emphasize economic modelling (Strassmann, 2001). For the purpose of this thesis a mixed approach has been assessed as the most convenient way of analyzing

[8]Case specific propositions are developed in 3.8.

EHO, and as such both the available stock features and household characteristics are taken as significant aspects affecting this transition.

Dieleman et al. (1994:9) sub-group the factors affecting EHO in the following way:

- Attributes of households, such as income, age of the householder, size of Hh, race, employment status, socio-economic status, number of earners, marital status of householder, size of Hh (Group 1 – Hh status);
- Changes in Hh circumstances, such as marriage, divorce, childbirth, income change, change of job (Group 2 – Events/triggers);
- Characteristics of the dwelling before a residential move – room stress, such as number of rooms, rent, type (Group 3 – Previous dwelling);
- Contextual circumstances and changes therein over time – price of OO, rent level, mortgage interest rate, inflation, volume of new construction of dwellings, composition of new constructions, regional variations in housing market conditions (Group 4 – Economic and housing market circumstances).

The authors further state that mobility studies may follow two primary streams of investigation: cross-sectional or longitudinal approaches and data, stating that the results of both types of analysis are complementary rather than contradictory. In general, cross-sectional models of mobility and choice highlight the Hh status and the characteristics of the previous rental dwelling as important factors of housing and tenure choice (Groups 1 and 3). Contrarily, longitudinal models focus more on events or triggers, and the changing economic context within which choices are made (Groups 2 and 4) (Dieleman et al. 1994: p.9).

While the complementary employment of both approaches would be ideal, unfortunately the data on all four groups for both country cases is incomplete. Therefore, in this thesis, as a part of micro level analysis, household attributes and housing stock characteristics are compared by employing cross-sectional data (Chapter 5); and Chapter 3 provides several macro level factors, such as Hh formation etc.

Secondly, as a part of the longitudinal approach, factors like population and demographic features, inflation ratios etc. are examined for the two countries in order to reveal the macro conditions and exogenous factors of the process. These are given in the contextual comparison (Chapter 3), and also influence the process of becoming home owners; however these factors alone fall short of providing results, as also household and housing stock attributes (micro level by cross-sectional data) needs to be taken into account.

In Chapter 5, for the case study of Ankara and the City Region of Amsterdam (Stadsregio Amsterdam-Regionaal Orgaan Amsterdam – ROA), events-triggers are analyzed due to the availability of retrospective information. The data sets are not available in time series[9], and therefore a longitudinal study could not be carried out; thus the data refers to 2006 and 2007 respectively, however retrospective information makes it possible to examine the events and triggers.

In existing literature, for analysis of the process of EHO several methods have been employed, such as a survival analysis (Fejiten and Mulder, 2002); logistic regression (Mulder and Wagner, 1998); hazard functions (Clark et al, 1997); competing risk model (Deurloo, Clark and Dieleman, 1997); and automatic interaction detector technique (Kendig, 1984). As Megbolugbe and Linneman (1993) denote, logit is favoured in tenure studies, with tenure status being the dependent variable of the regression. Independent variables are generally demographic and income characteristics of the households and the price.

[9] WoON 2006 can be accepted as a continuation of the WBOs of several years for a longitudinal analysis. However, for Ankara there are no such comparable longitudinal counters, aside from the Ankara 1984 survey, which may provide some insights for a comparison of 1984 and 2007. However the spatial coverage is not same as Ankara 2007, and furthermore the results would not lead to a time series analysis.

Table 4.1 : Primary arguments, methods and data sets used in several previous researches, and associated findings				
Authors	**Primary Argument**	**Method**	**Data set(s)**	**Findings**
CLARK, W. A. V., DEURLO, M. C., DILEMAN F. M.(1997) Entry to Home ownership in Germany: Some Comparisons with the United States *Urban Studies,* 34: 1, 7- 19.	Tenure choice in longitudinal direct comparison across countries enriches literature by enabling the drawing of conclusions and allowing generalizations.	Event history models (Cox's proportional hazard model)	US Panel Study of Income Dynamics (PSID), Germany Socio-Economic Panel (GSOEP)	Life cycle events, economic constraints, general economic conditions and local tenure structures affect tenure choice. Large private rental sector in Germany enables longer periods of stay in the rental market compared to the US.
CLARK, W. A. V., DEURLO, M. C., DIELEMAN, F. M. (1994) Tenure changes in the context of Micro-level Family and Macro–level economic shifts, *Urban Studies* (31:1) 137-154.	Longitudinal approach to tenure changes enhance to understand the move from renting to owning.	Event history models (Cox's proportional hazard model)	US Panel Study of Income Dynamics (PSID)	The move is linked to composition of the Hh, availability of income and number of earners. The timing of the move generally occurs in a short time frame.
FEIJTEN, P. and MULDER, C. H.(2002) The Timing of Household Events and Housing Events in the Netherlands: A Longitudinal Perspective, *Housing Studies*, 17:5, 773-792.	The postponement of marriage and childbirth that took place in the second half of the 20th century in the Netherlands, affected the timing of moving into 'long-stay housing'	Survival functions	SSCW survey and Netherlands Family Survey	The level of commitment in the household situation is the fundamental explanation for housing choice, and that economic prosperity mainly facilitates advancement in the timing of adapting the housing situation to the (anticipated) household situation.

	(single-family dwellings and OO dwellings).			
DOLING, J. (1976) The family life cycle and housing choice, *Urban Studies*, (13), 55-58.	Family life cycle affects housing choice. (Not only the upward movements to owning but whether, downward adjustments in later stages of life cycles are finalized or not)	*t* significant tests	Building Research Station files	Wealth accumulation affects housing choice more than family life cycle.
DIELEMAN, F. M., AND EVERAERS, P. C.J. (1994) From renting to owning: Life course and housing market circumstances, Housing Studies, (9:1), 11-26.	General price shifts in the housing markets and spatial variations influence the move from renting to owning.	Regression analysis	WBO Housing Demand survey	In addition to stability of the household and the permanent income, general economic conditions and housing market circumstances have measurable influences in the move from renting to owning.
MULDER, C. H. and WAGNER, M. (1998) First Time Home-ownership in the family life Course: A West German- Dutch Comparison, *Urban Studies* (35: 4) 687-713.	First-time home-ownership is connected with life-course and contextual factors. Home-ownership is	Survival functions, descriptive measures and logistic regression	German Life History Study (GLHS). SSCW survey and the Dutch Family Survey	First-time home-ownership is linked to events in the family life course (marriage and childbirth) and the availability of resources from the parental family. These differences depend on differences in house prices, housing policy (subsidies

	influenced by preferences, resources and the relative costs of owning versus renting.		(DFS)	and other regulations) and other differences in legal and financial systems. First time ownership occurs increasingly at younger ages in both West Germany and the Netherlands, more so in the latter.
COOLEN, H., BOELHOUWER, P and VAN DRIEL, K. (2002) Values and goals as determinants of intended tenure choice, *Journal of Housing and the Built Environment*, 17: 215–236.	Motivational micro-level factors such as values and goals are determinants of housing choice as well.	Extended means-end model, linear regression with optimal scaling	Telephone surveys of OTB Research Institute, carried out for the Netherlands Association of Building Contractors (NVB).	Together with other micro-level factors of age, income and Hh situation, motivational factors like goals and values are found to be related to housing choice and to intended housing choice.

In these models, the common purpose has been to measure the relative significance of the factors in the move to ownership (household characteristics, housing stock, inflation/interest rates, tax advantages, finance opportunities etc). However, the difference in methods employed stems mainly from the available data. Especially when a comparative research is carried out, data concerns become the primary issue, and this is one of the main difficulties in this thesis.

In this thesis, crosstabs, frequency distributions, basic descriptive statistics and comparisons for OO and NOO are used in order to understand EHO in the two countries. Furthermore, as a complementary method, a logistic regression analysis is employed in order to demonstrate the relative significance of factors such as the age of the Head of the Household (HHh) and HHh income in the process of EHO. This method however is only a means of revealing the relations between the mentioned factors and EHO in a presentable way. In the regression, while tenure status is the dependent variable, independent variables take the form of several Hh and stock related characteristics that hypothetically influence the process. However, there are a number of notable points to be made about the use of regression in social sciences, and particularly for this thesis.

As Pampel (2000) denotes, many of the social phenomena dealt with by social scientists are qualitative, which means that they may or may not happen. This is also valid for this thesis: a Hh is either a home owner or not, and this feature also means that the dependent variable of our analysis is a binary or dichotomous (e.g. 0=renter; 1=home owner) variable, which indicates passing from one state to another. When the dependent variable is binary, it is convenient to carry out logistic regression rather than the linear regression (Galtung: 1969; Pampel: 2000; Pallant: 2005).

The use of logistic regression provides predicted values in the form of odds rather than probabilities, and thus eliminates the associated problems of linear regression. Odds and probabilities in fact are similar ways of showing the occurrence of the event. As Pampel (2000:11) states:

> *"The logit begins by transforming probabilities into odds. Probabilities vary between 0 and 1, and express the likelihood of an event as a proportion of both occurrences and nonoccurrences. Odds express the likelihood of and occurrence relative to the likelihood of a nonoccurrence. Both probabilities and odds have lower limit of 0, and both express the increasing likelihood of an event with increasing large positive numbers, but otherwise they differ.*
>
> *"Unlike a probability, odds have no upper bound or ceiling. As a probability gets closer to 1 … the odds become an increasingly large number … for example, probabilities of 0.99, 0.999, 0.9999, 0.99999 and so on result in odds of 99,999, 9999, 99999 and so on."*

One advantage in using logistic regression is that while the dependent variable is in the form of 0–1 (OO = 1, NOO = 0), the predicted values reveal the likelihood of the occurrence of the event. Therefore, it can be comprehended which independent variables influence EHO, as well as their relative significance.

4.3. RESEARCH QUESTIONS

4.3.1. National level

Previous EHO literature argues that macro and micro circumstances both play a role in EHO. Therefore, in the first step (Chapter 3) the contextual framework that is dependent on macro attributes that hypothetically affect EHO are examined. This comparison in the first step reveals the position of the two countries in terms of their housing systems, institutional set up, macro-economic conditions, housing stock features etc. in order to define the macro circumstances that define the Turkish and Dutch contexts (Chapter 3, juxtapositional comparison). In this sense, such questions as:

- Historically, how have the two governments approached tenure types? On which problems have the housing policies intensified on in the two countries? Where did these policies lead in terms of both the stock and the Hhs' choices?

- What are the demographic attributes of the two populations? What possible affects may they have on housing and tenure choice?
- How does the housing stock diversify? What is the relative position of different tenure types in Turkey and the Netherlands? Is there an unbiased distribution with respect to particular types, tenures or sizes in the two countries?

are evaluated.

In addition to the contextual comparison of the two countries, in the second step, micro circumstances, or Hh-level attributes, are compared (Chapter 5) in order to make the EHO analysis coherent. In this step, based on the general hypotheses contained in existing EHO literature which argues that housing events accompany household events, an empirical study is carried out (Chapter 5). Of the main hypotheses of EHO literature, the following questions define the framework of this thesis. Regarding both the EHO arguments and the juxtapositional comparison of the two countries, the following arguments form the framework of the Turkish and Dutch contexts.

I. <u>When is home ownership realized in the course of Hhs' lives? Do life-cycle events influence EHO?</u>

Home ownership is expected to be realized at particular stages in a Hhs' life cycle. Prior to, or after, certain life cycle events, EHO is realized, and thus timing may differ significantly. In countries with relatively stable housing systems, like the Netherlands, the links between housing and Hh careers are easily traced, while in ambiguous environments where state orientation is lacking, Hhs may not follow the expected housing choices defined in previous literature[10], which is what can be anticipated in the

[10] This is also because of the fact that many of the EHO studies were carried out for Welfare and Anglo-Saxon, countries both of which have certain large differences with Turkey.

Turkish case. In other words, it is regarded that life cycle events may more significantly affect EHO in the Netherlands than in Turkey.

II. What factors affect the process of EHO? Are there common conditions that are valid for Hhs in Turkey and in the Netherlands in EHO?

In terms of factors affecting EHO, it is argued that the affecting factors would most probably be the same or quite similar in the two countries. However, they would not have the same magnitudes and relevancies in EHO in the two countries[11]. Having children, for instance, would be a key factor for EHO in the Dutch case. There are two reasons for this: firstly because the spatial differences between OO and NOO would be higher, creating higher motives for OO; and secondly because the Dutch do not tend to economize on space by living with their relatives, and would consider moving out for OO as personal space becomes smaller in the dwelling. Having children, however is not expected to have such strong effect in the Turkish context, but may still affect EHO.

It is expected that EHO will be mostly determined by HHh age in Turkey, whereas in the Netherlands, attributes like income and Hh type are anticipated to have significant effects. Spatial features of the dwellings (number of rooms and size of the dwelling) are expected to influence EHO process more in the Netherlands than in Turkey

III. Why is home-ownership such a desired tenure type? Is it a world wide valid belief?

[11] In terms of factors affecting EHO, case specific propositions, which involve expectations of individual countries, were elaborated in Section 3.8. A discussion and summary of the findings of the contextual comparison should be recalled. The details of these propositions are not given again here, however the empirical study primarily depends on the case-specific propositions developed in Section 3.8, under four headings.

Ambitions for OO are not expected to be same for each country. It is anticipative that in countries with a volatile macro economy and weak pension system, ambitions for OO will be high. Therefore, such Hh ambitions are anticipated to be more apparent in Turkey than in the Netherlands.

4.3.2. Case study (Ankara-ROA)

For the case study of Ankara-ROA, the initial differences at a national level are expected be valid also for those on a metropolitan scale[12]. Due to the availability of basic retrospective information in the Ankara survey, it becomes possible to answer such questions as:

IV. <u>What is the relative significance of factors in EHO in Ankara and ROA? (Triggers of EHO) (Descriptives)</u>

In the Ankara-ROA comparison, factors affecting EHO are analyzed with reference to three groups of factors (examined in three parts)[13]:
(a) life cycle events (marriage, childbirth etc),
(b) spatial concerns (number of rooms of previous dwelling), and
(c) financial matters (changes in income etc.).

Recalling the contextual comparison of the two countries, it is expected that in Ankara the affect of life cycle events would not be directly linked to the EHO process, as the state regulation in housing has been weaker when compared to ROA. Additionally, spatial concerns are anticipated to have less effect in Ankara than in ROA, since relatively smaller tenure discrepancies in terms of spatial features are argued to create fewer OO ambitions.

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[12] It is important to note that comparisons between Ankara-Turkey and ROA-Netherlands are beyond the scope of this thesis, as the primary comparative basis is cross-country. Only key figures are given for that type of information.

[13] Variables used both for national and metroppoliten levels are similar in general, like HHh age, income etc. However, due to availability of information on previous attributes of either the dwelling unit or the Hh in ROA-Ankara comparison, the variables are in three groups different from the variables given in Table 4.4.

V. What changes in Hh and housing attributes are observed after the EHO move? Does EHO bring the expected benefits in Ankara and ROA?

As EHO is associated with changes in Hh status and housing attributes, it can be argued that by examining the changes realized after EHO, these associations could be revealed effectively. Accordingly, in Ankara it is expected that changes in "dwelling value" (increase), would be more common than changes in Hh size, number of rooms and dwelling size, as in Turkey the investment value of OO is over valued.

In ROA, on the other hand, changes in Hh attributes are expected to be more frequently observed as a result of EHO. Under strong state regulation, with supportive financial instruments, EHO is anticipated to occur mostly due to Hh life cycle events rather than expected capital gains.

VI. What are the relative significances of factors in EHO in Ankara and ROA? (Through a binary logistic regression)

Variables of HHh age, Hh size, Hh income, number of rooms, size of the dwelling, and construction year of the dwelling are employed in the binary logistic regression. Assuming that national-level differences would be valid at a metropolitan level as well, and referring to previous literature and the contextual factors of the two countries, it is expected that EHO would be mostly determined by HHh age in Turkey, and not significantly by Hh income, number of rooms or dwelling size (non-tenure discrepant housing stock would not create OO motives, and the culturally accepted habit of inmating would decrease EHO moves due to spatial improvements). In the Netherlands, attributes like income and the spatial features of the dwellings (number of rooms and size of the dwelling) are expected to influence the EHO process more than in Turkey. The age of the HHh is not anticipated to have a significant affect on EHO in the Netherlands

As a result of both national and metropolitan level comparisons, problems are defined and policy implications are evaluated for the two countries in Chapter 6.

4.4. THE COMPARISON

4.4.1. TURKEY- THE NETHERLANDS

This thesis aims to discuss EHO on a comparison basis for a number of reasons. Firstly, the Netherlands can be accepted as a typical representative of a European welfare country, where housing has been one of the primary domains of intervention by the government. In the opinion of Donnison and Urgerson (1982), Dutch housing is representative of comprehensive welfare. As a developed country, the Dutch housing system is strongly controlled, with state intervention justified in every sphere of housing. Its performance in the development and management of social rented stock is one of the best examples in the world. Traditionally, home ownership rates have been lower while public rental has been higher in The Netherlands. Contrarily, Turkey, in the absence of a proper national housing policy, is characterized by high tendencies for home ownership. The provision of housing stock is left almost completely to market forces, as there has been no experience of social rented housing. According to Donnison and Urgerson's (1982) classification, Turkey may be accepted as a haphazard welfare system, almost on the other side of the classification from the Netherlands.

This picture reveals that the two countries opted for almost completely opposite solutions in their housing systems. It can, however, be said that the vast state intervention in the Netherlands for housing has led to a stagnant market, which has inspired planners to consider/develop different solutions in time. The recent Dutch housing system focuses on the promotion of home ownership, the sale of rented social dwellings and the decentralization of state responsibilities in housing. In the same manner, in Turkey there have been remarkable changes. In order to circumvent the problems of inefficiency and unauthorized housing development, plans to gain more control over the stock and the provision of housing finance systems are on the agenda.

Consequently, it can be stated that with the recent developments, these two countries that were initially on the different ends of the scale, are moving closer to each other in terms of their housing policies.

This comparison provides a basis for comprehending two distinct housing systems that have both positive and negative features, and enables an exchange of experiences for the future. In the mortgage issue, for instance, the comparison is especially promising. It is easier to comprehend as a result of the comparison, that the recently enacted Turkish Mortgage Law is actually just arrangements to the credit system with weak state control; while the Dutch mortgage system is a network of well-defined responsibilities, terms of reference and penalties for the all actors involved.

4.4.2. CASES: ANKARA- ROA

Ankara has been chosen as the case for Turkey, for which additional data is available that enables the carrying out of the required analysis. For the Netherlands, however, several alternatives were discussed.

Ankara is the capital city of Turkey, with a population of 3.7 million. It is where the government sits, and is home to the ministries and central offices of many institutions. Ankara has 10 universities[14], and as such is a "student city" that also has a high population of civil servants. The housing market is characterized by increasing prices, although the stock is sufficiently developed in terms of the number of dwelling units. In line with the trend in Turkey as a whole, it has a high home ownership rate (56 %).

[14] http://www.yok.gov.tr/flasharita/index.html (accessed on 14 11. 2008)

Map 4.1. Ankara Metropoliten Region

To find a Dutch city that could be compared with Ankara, firstly the city of Amsterdam was considered. However, the idea was disregarded due to the characteristics of the population and the housing sector in the city. The Netherlands is characterized by low share of OO dwellings in the stock (just recently the ratio of OO reached 56 %); yet even in the Netherlands, Amsterdam is an extreme case where the ratio of OO dwellings is only around 16 %. This can be put down to several reasons that make it unique. Especially for young people, living in Amsterdam, even for a short period of time, means a lot. Since the distances between cities in the Netherlands are daily-commutable, the younger Hhs may prefer to live in Amsterdam even if their jobs or schools are in other cities. Furthermore, since the market is pro-tenant, once a Hh becomes a public renter, s/he cannot easily be forced to leave. Thus, rather than

leaving those "valuable" rented units located in the very centre of Amsterdam, they tend to stay in the rental sector even though they move to other cities later.

The main problem related with Amsterdam as a spatial unit is its small size when compared to Ankara. Amsterdam has almost the same surface area as the Çankaya district, which accounts for only 1/10 of metropolitan Ankara. Furthermore, the population of Amsterdam is only 731,289, which is very small compared to the 3.7 million of Ankara. These are great differences in an urban context, and may create biased results in the analysis as cities of such drastically differing size will certainly feature different dynamics in almost every aspect, including housing.

For this reason, three alternatives were discussed:

- *Amsterdam and Almere*
- *Randstad Urban areas*
- *ROA*

Almere is a new town created in a polder in the IJsselmeer Lake. It is now known as a "dormitory town" of Amsterdam, since it is close to it and offers high residential opportunities, especially for OO, with a home ownership rate for 2002 accounting for 61 %[15]. It would be appropriate to include Almere, as a substantial number of people commute from there to Amsterdam, however even when including Almere with the city of Amsterdam, the population still falls a long way short of that of Ankara.

The second alternative, Randstad, covers four major cities (Amsterdam, Rotterdam, The Hague and Utrecht) of the Netherlands, as well as the great open space known as the "Green Heart" between them. Excluding the Green Heart, Urban Randstad could be compared with Ankara in terms of size and population. With this option, the problem of

[15] www.statline.nl.

population and size differences are almost eliminated, however, another problem arises, in that Randstad is not actually a coherent spatial unit. While is true that there are intensive relations, communications and commuting among those four cities, they are still four separate cities and do not form a unique spatial or administrative unit. This problem is particularly important when studying housing, as the four cities have four distinct housing market characteristics.

The third alternative, ROA, actually refers to the City Region of Amsterdam, comprising 16 small municipalities very close to Amsterdam (Aalsmeer, Amstelveen, Amsterdam, Beemster, Diemen, Edam/Volendam, Haarlemmermeer, Landsmeer, Oostzaan, Ouder-Amstel, Purmerend, Uithoorn, Waterland, Wormerland, Zaanstad and Zeevang), with a total population of 1,364,357 in 2008[16] on an 811 km^2 area.

In 2008, the population of Almere numbered 183,270[17], so when included in ROA[18] the combined population reaches 1,547,627 (2008), and the size of the area becomes 941 km^2.

> *"Regionaal Orgaan Amsterdam ('City Region of Amsterdam'), or ROA, is a partnership between 16 municipalities in the Amsterdam region. These municipalities work together in the sphere of spatial development, traffic and transport, economic affairs, housing and youth welfare. ROA focuses on direct results for participating municipalities in the form of improvements to quality of life, accessibility and economic development[19]."*

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16 http://statline.cbs.nl/StatWeb/publication/?DM=SLEN&PA=37259ENG&D1=0&D2=0&D3=105,122,136,138,178,298,340,448,609,825,847,874,1050,1128,1191,1204,1210&D4=0,10,20,30,40,47-48&LA=EN&HDR=T&STB=G1,G2,G3&VW=T (accessed on 24.March. 2009)

17 http://statline.cbs.nl/StatWeb/publication/?DM=SLEN&PA=37259ENG&D1=0&D2=0&D3=105,122,136,138,178,298,340,448,609,825,847,874,1050,1128,1191,1204,1210&D4=0,10,20,30,40,47-48&LA=EN&HDR=T&STB=G1,G2,G3&VW=T (accessed on 24.March. 2009)

18 In WoOn, ROA already includes Almere.

19 www.roa.nl, Accessed in May, 2006.

While enlarging the area, the primary concern is to avoid ending up with an eclectic spatial unit that does not live together, as although Ankara is very big it is still one city. However, since these ROA municipalities together have an internal consistency, this concern can be eliminated. Municipalities in ROA and Almere present a coherency which live together. Furthermore, this structuring of ROA is similar to Ankara in terms of the Ankara Greater Municipality and the eight (Altındağ, Çankaya, Etimesgut, Gölbaşı, Keçiören, Mamak, Sincan, Yenimahalle) smaller municipalities that constitute it.

For these reasons, ROA + Almere was chosen as the most suitable spatial unit for comparison with Ankara.

Table 4.2 : Population and Housing Indicators for the Case Study

	Metropolitan Ankara	**Amsterdam**	**ROA (without Almere)**	**ROA+ Almere**
Population	3763591 (2007)**	747,093	1,364,357 (2008)	1,547,627 (2008)
Number of Hhs	841, 488 (2000 Population)***	399,497	648,540 (2007)	717,300 (2008)
Number of Dwelling units	1,128,625 (2000) *	372,888	613,300 (2008)	675,100 (2008)
Owner occupation	56 % (2000)	21.3 % (WBO, 2003)	32 %	36 %
Ratio of single Hhs	2 % (2000)	54 %	46%	44 %
Ave. Hh Size	3.82 (2000)	-	-	-

*Ref: *Figure is from 2000 building census. Turkstat 2001: 7 (Building Census) represent the number of dwelling units within the municipal boundaries.*

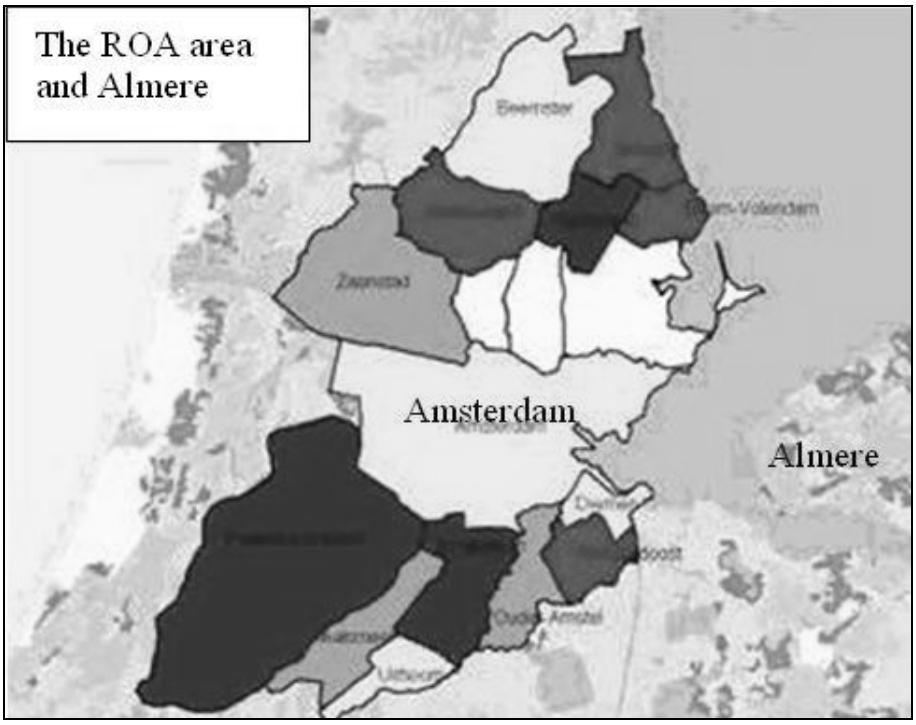
***Acquired from Address Based Population Registration System 2007 Population Census Results, the figure covers only 8 municipalities and only urban populations.*

*****

http://tuikrapor.tuik.gov.tr/reports/rwservlet?nufus2000db2=&ENVID=nufus2000db2Env&report=nfs2000_hh_buyuk_il_x.RDF&p_kod=2&p_il1=6&p_kod2=2&p_mrkdur=0&desformat=html Accessed on 28.April.2009 (covers population within Greater Ankara Municipality)

***Dutch population figures are from www.statline.nl (Accessed on 28.March. 2009)*

Map 4.2: The ROA area and Almere



4.5. DATA AND METHODOLOGY[20]

Recalling the rhetoric of Dieleman et. al (1994), it would be complementary to employ both longitudinal and cross sectional data in the EHO analyses. However, the method to be employed and the analyses carried out rest mostly upon the limitations in data. In Turkey, there is no specific housing survey that provides retrospective information on household and housing characteristics, and researchers must rely on indirect sources. Carrying out a comparison brought about further difficulties in analyzing EHO in the two countries. In the study of Dieleman et. al (1994), for the variables in group 2 (triggers) there was

[20] Further information on data employed can be found in Appendix B.

no corresponding data available in Turkey; while in the Netherlands only basic information can be drawn from the WBO. For groups 1 (household status), 3 (previous dwelling) and 4 (economic and housing market circumstances), periodical data going back some decades was found in the two countries. However, these do not provide information for the same households, and thus do not allow the tracking of changes. On the other hand, although periodical data exists for some factors, they are not longitudinal, and so do not provide a clear picture.

An analysis of this context is possible in Turkey with reference to the Household Budget Survey (HBS-2003) data of the State Institute of Statistics (TURKSTAT); and in the Netherlands with data drawn from the Housing Demand Survey (Woningbehoefte Onderzoek -WBO-2002) of the Ministry of Housing, Spatial Planning and the Environment (VROM). The Dutch survey is a more comprehensive data set, providing information on the previous housing and household characteristics of the households; and these data sets are fortunately similar to each other in several aspects, making a cross country research possible. The primary variables (such as tenure status, household size, size of the dwelling etc.) included in the analysis are available in both data sets.

For the Dutch case, raw data from the Housing Demand Survey (WBO, 2002) is employed, which is a more comprehensive survey study than HBS. This is used only for the national level analysis, since it refers closest to the 2003 HBS. The WBO, as mentioned, is a survey on housing, and thus the required information is available for both steps planned for the thesis. However, the HBS does require some supplementary information, for which the Ankara survey, undertaken for the purposes of this study, fills these gaps and thus makes the Turkish data convenient for both steps of the analysis.

The analyses are made on two levels: on a national level (TR-NL; I. in Table 4.3), and a case study (Ankara–ROA; II. in Table 4.3). Referencing this information, the empirical study has been designed to be carried out in two steps; as follows:

Table 4.3: Data sets, Sample sizes and Levels of analysis				
	Turkey		**The Netherlands**	
Purpose	**Data**	**Size of the sample (Hhs)**	**Data**	**Size of the sample (Hhs)**
I. National Level TR_NL	HBS 2003	25764 Total Hhs 18278 Urban Hs	WBO 2002	75043 Total Hhs 63233 Urban Hhs
II. Ankara vs. ROA	Survey Study for Ankara 2008	1915 Hhs	WOON 2006	4774 Urban Hhs

For the national level comparison, basic descriptive analyses are carried out using raw data from the HBS and WBO[21]. Although the HBS was not designed specifically for housing, basic descriptive analysis such as:

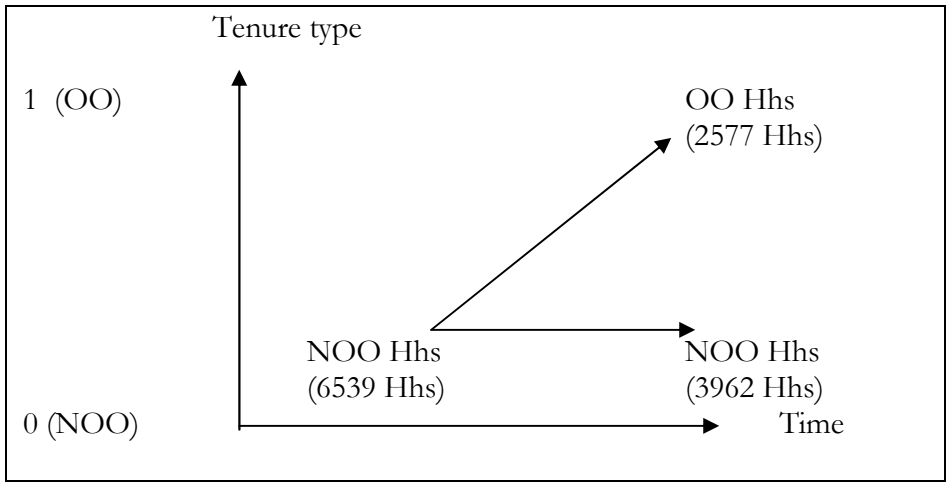
- *Frequencies (e.g. the frequency of OO in urban and rural Turkey, or the frequency of luxurious housing in whole of the stock),*
- *Averages (e.g. average income for owner occupiers and non-owner occupiers),*
- *Cross-tabulations between OO and Hh and stock characteristics*

can be performed. With this data, further research-employing criteria such as chi square, regression etc. can also be made. This step therefore employs cross-sectional data and attempts to establish links between OO and Hh-housing attributes on a national scale. In addition to this descriptive study, binary logistic regression is carried out for the two countries. Due to availability of information on previous tenure type of Hhs in the Dutch data, Hhs –who are actually potential buyers and thus who are possible Hhs for EHO can be selected from the whole data set. This subgrouping allows a more dynamic analysis of logistic regression.

[21]The required data from TURKSTAT was acquired in raw format (xls. format), allowing work on the raw data individually and making the desired statistical analysis with the raw data in accordance with the aims of the study. When referring to TURKSTAT, only the raw data of TURKSTAT is inferred, not the TURKSTAT processed results that were published in its own studies. The WBO is also available in digital format, which is convenient for individual work.

For the logistic regression of Turkey, however, all the data set is employed which may be argued to be a relatively static one.

Population selected for the logistic regression, the Netherlands, WBO 2002.



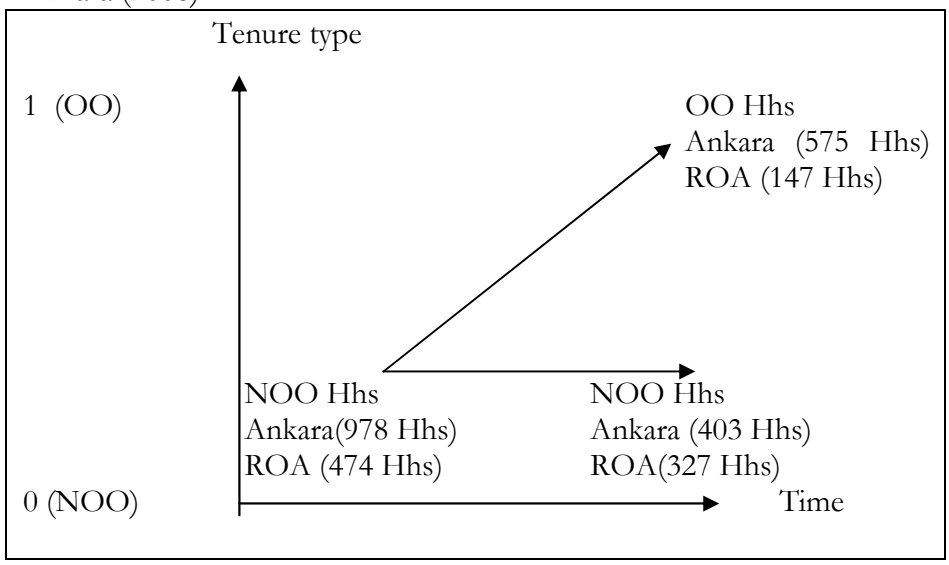
WBO provides information on previous dwelling and Hh attributes for the past two years. As the chart demonstrates, in 2000 (two years before the WBO survey date), there were 6539 Hhs who were non owner occupiers in the Netherlands reporesented in WBO. At the date of the survey, in 2002, 2577 of those become OO Hhs while 3962 continued current tenure type. In Turkey, it is not possible to make such a differentiation, so the sample consists of 18273 Hhs for the logistic regression.

In the second level analysis (Ankara-ROA comparison), for ROA, a recent version of the WBO, WoON 2006[22] is used. For Ankara, the results of a 2008 survey carried out in the Ankara Metropolitan area is

[22] See Appendix B for detailed information.

employed. In this step as well, the data sets were provided in a cross-sectional format. The disadvantages of cross-sectional data can be decreased, since information on "previous dwelling" and "triggers" are provided which are not available in the HBS. Case study begins with a logistic regression for ROA and Ankara where only previously non owner occupier Hhs are selected. Such selection means a dynamic analysis.

Populations selected for the logistic regression, ROA (WoOn, 2006), Ankara (2008). [23]



Following that, a subgrouping is made in order to focus on Hhs who had really entered to OO. In doing so, only the Hhs who are currently owner occupiers but who were non-owner occupiers in their previous dwelling is studied, and as such the number of cases for these analysis are 389 for Ankara, and to 150 for ROA (Sections 5.5.2 and 5.5.3.).

[23] Due to missing cases, in the regrsession there are 147 (but not 150) Hhs in ROA. In Ankara similarly, it is not 575 but 389 Hhs included in the logistic regression.

In addition to this primary set of data sources, national TV broadcasts and newspapers are reviewed in order to evaluate the public discussions on housing, home ownership, and, needless to say, the mortgage institution. Finally, visual material (such as photographs) relating to the issue are presented.

4.6. CONCEPTUAL MODEL

The model developed in this thesis comprises several levels of investigation. Firstly, the context (housing systems and demographic attributes) is examined using general data, such as building and population censuses. Secondly, a hypotheses relating to the influence of the Hh and housing stock differentiation, and contextual and cultural factors are examined using survey samplings for the two cases. The analyses in this step are mostly carried out using crosstabs between tenure status and several housing and Hh attributes. The positions of OO (owner occupiers and owner occupied dwellings) and NOO (non-owner occupiers and non-owner occupied dwellings) are revealed. National level comparison ends with the logistic regression.

In the case study of Ankara-ROA, rather than positions of OO and NOO, a deeper analysis is carried out: (1) A logistic regression which reveals the relations among different factors in an organized manner and (2) a descriptive study in order to demonstrate triggers in EHO and the changes that occur afterwards. Finally, the results are employed in a discussion of the policy implications for the two countries. The following chart demonstrates the steps in the conceptual model:

I. Turkey-The Netherlands Contextual Comparison

Decriptives for Population and Demographic Attributes, housing systems, housing finance, in urban areas, in years (Chapter 3)

This step helps us to understand which policies resulted in which repercussions, and how Hh and housing dynamics interacted with each other to form the current situation. In this step, rather than HBS and WBO, the population and building censuses are employed as general indicators.

II. Turkey-the Netherlands Descrpitve comparison In terms of "OO" and "NOO" by cross-tabulations (Chapter 5) Sections 5.1.-5.3.

This step aims to reveal the relative positions of OO and NOO, and comprises two levels of comparison:

owner occupier vs. non-owner occupier Hhs

owner occupied vs. non-owner occupied dwellings

Cross tabulations between primarily tenure statuses (OO-NOO) as the dependent variable to other variables as the independent variables, hypothetically affecting the move, as in previous literature. Once the cross-tabulations are established, some explanations can be suggested. Cross tabulations can be between "HHh age and tenure status", "Hh Size and tenure status" etc. Additionally, several other cross-tabulations may be needed, since the independent variables may have relations within each other. These can be between "Income and Hh Age", "Hh size and HHh Age" etc.

By deconstructing the whole into its parts, this step in fact is carried to reveal the problems in the housing system.

Turkey-The Nethelands Multivariate Comparison
Logistic Regression

In order to use home ownership as a manipulation point in the housing system, the relative significance and magnitude of the factors are crucial. Without this step, the analyses may be incomplete and misleading.

To obtain coefficients for the variables, several techniques may be employed. Depending on the aims and comparable data available, the method to be employed is assessed to be a logistic regression analysis.

$$\text{logit}(p) = b_0 + b_1 X_1 + b_2 X_2 + b_3 X_3 + \ldots + b_k X_k$$

Due to availability of information on previous tenure type, in the Netherlands only previously non owner occupier Hhs could be selected for the regression. For Turkey, this was not possible.

Where, dependent variable is tenure type (1 = OO, 0 = NOO), and independent variables (X_1-X_k) are several Hh and housing stock characteristics.

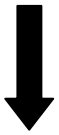
As a result of binary logistic regression, B values are Odds ratios are found which indicates individual effects of the dependent variables in EHO. Depending on previous literature and the contextual factors in the two countries, it is expected that EHO would be mostly determined by HHh age in Turkey, and not significantly by Hh income, number of rooms and dwelling size (Non-tenure discrepant housing stock would not create OO motives, the culturally accepted habit of inmating would decrease EHO moves due to spatial improvements). On the other hand, in the Netherlands, attributes such as income and spatial features of the dwellings (number of rooms and size of the dwelling) are expected to influence the EHO process more than in Turkey. HHh age is not anticipated to have a significant affect on EHO in the Netherlands.

III. Case study (Ankara-ROA)
Logistic Regression
From the main data sets of Ankara survey and WoOn previously non owner occupiers are selected. Logistic regression is carried out on this subgroup.

The dependent variable employed is the variable of WBO "huurder of koper" and of Ankara survey "konuta mülkiyet" which are (recoded as 1=OO, 0= NOO).

Due to the selected cases, dependent variable means:
1= previously NOO but currently OO Hhs
0= previously NOO and currently NOO Hhs

IV. Descriptive study on HHs who actually entered OO
By employing Ankara survey (2008) and WoOn 2006, triggers in EHO, the meaning of OO, changes observed in Hh and housing attributes after EHO are evaluated for the two cases.



V. Implications of EHO
As planners, the aim of the study is to employ the information derived for defining problems and evaluating possible implications in housing systems of the two countries.

4.7. VARIABLES

While dealing with two different data sets from two countries, several problems arise due to the limits and potentials in the data sets. If a general basis is not constituted, the analysis could be inconsistent, providing different levels of analysis for each country that will be difficult to interpret. Thus, the main concern for the empirical study has been ensuring compatibility between the cases.
Firstly, it must be stated that although further studies are possible with both data sets, the study has followed the same methodological techniques where possible for both Turkey and the Netherlands. Rather than using the data sets to the full extent, the common possibilities are considered. This approach may be considered as an under-utilization of the data sets, however without this limitation it would not be possible to compare the two countries efficiently. Among the variables which are available in both data sets, the following are used (Table 4.4).

Drawing upon previous literature, several assumptions revealing the relations between Hh and housing attributes may hypothetically be made in advance. Arguments in previous literature that relate to Hh-housing characteristics and socio-economic factors to tenure status, may lead to the development of the following hypotheses:

Table 4.4: Variables to be examined and hypotheses

	Variables	Hypothetical expectation
Hh Characteristics	**Hh Income quintiles of 20***	HHh income affects EHO positively. As the income of the HHh increases, it becomes more likely to be owner occupiers.
	Total Income	Total income of the Hh influences EHO with a positive magnitude. If an income change is realized, EHO could be triggered.
	Age of the HHh	Age of the HHh is positively influential in EHO. As the age increases, Hhs could become more stable and prefer OO.

	Hh Size	Size of the Hh positively affects EHO. If changes in Hh size happens, Hhs prefer to move to OO since owner occupied dwellings are on average larger which might decrease housing costs in the long run.
	Hh Type	Hh type influences EHO since Hh type reflects life cycle events.
Stock Characteristics	**Age of the Stock**	EHO is triggered by age of the dwelling unit. As the dwelling unit becomes older, it is more likely to be used in the rental sector.
	Number of rooms	Number of rooms of a dwelling influences EHO with a positive magnitude
	Dwelling Size (m2)	Size of the dwelling predicates EHO.
	Dwelling Type	Housing type is a determinant of the EHO process. Apartment blocks are mostly from the rented sector, whereas suburban houses are more likely to be owner occupied.

In addition, variables such as the facilities in the dwelling, imputed rent, purchase year of the dwelling, any debts on the dwelling, market price of the dwelling and any other houses owned are included in the study when necessary.

For the regression, a set of variables for the Hh and dwelling unit features are employed, and are shown in Section 5.4.

4.8. CONCLUSIONS

In this chapter, the methodology of the study is reviewed. The discussion on housing research and comparative housing studies point to the significance of EHO and comparative housing studies in the contemporary era. The rationale of the comparison is described and the requirements of such comparative analysis (such as the requirement of availability of comparable data and the necessity to employ similar variables) are highlighted.

In the next section, in accordance with the discussions of this chapter, an empirical EHO study is carried out for the cases of Turkey and the Netherlands, and Ankara and ROA, employing different levels of investigation methods.

CHAPTER 5

EMPIRICAL STUDY: FACTORS AFFECTING EHO IN TURKEY AND THE NETHERLANDS

CHAPTER 5

EMPIRICAL STUDY: FACTORS AFFECTING EHO IN TURKEY AND THE NETHERLANDS

In this part of the study, Entry to Home Ownership (EHO) is examined with respect to the positions of owner occupancy (OO) and non-owner occupancy (NOO) in the two countries. The intention is to demonstrate firstly, the multi dimensionality of the EHO process; and secondly, the relative significance of the factors affecting EHO in the two countries.

Sections 5.1-5.4 contain the national level comparison, which is carried out by employing mainly the household (Hh) and dwelling characteristics from the Household Budget Survey (HBS) of 2003 in Turkey, and the Housing Demand Survey (WBO) of 2002 in the Netherlands. The figures from the two surveys represent urban samples, however throughout this chapter they are used as representative of the two countries. Following this part, a deeper analysis is made of the cases of Ankara and ROA by using the Ankara survey conducted in 2008, and the Dutch Housing Demand Survey (WoON) of 2006 (Sections 5.5.-5.6). The availability of the Ankara survey, as well as the WoON of 2006, provides an opportunity for a detailed examination of the EHO process. In doing so, the primary intention is to reveal how EHO is triggered (due to life cycle events, financial concerns or spatial discomforts); which changes in Hhs and dwelling statuses are observed after entry into OO; and what is the social and cultural meaning of OO in both cases.

Consequently, in this chapter EHO in both cases (Turkey-the Netherlands; and Ankara-ROA) is broken down into its composite parts and the relative significance of each composite factor is established, which is then used in problem definition in the two countries and discussing policy implications in Chapter 6.

5.1. HH AND HOUSING CHARACTERISTICS IN TERMS OF TENURE TYPES

As previous research and publications have revealed there are several attributes in Hh characteristics that are influential in housing consumption and tenure choice (Mulder and Wagner, 1998; Megbolugbe and Linneman, 1993; Deurloo, Clark, and Dieleman 1997; Dieleman and Everaers, 1994; Doling, 1976 etc)[1]. Generally speaking, Hhs become home owners as their Hh size, income or the age of the head of the Hh (HHh) increases; and as a result of such life-events as marriage and childbirth. Similarly, in most cases single people and young Hhs prefer to rent rather than own their dwellings. A comparison between OO and NOO should address two components, being the population and the stock (comparisons of "owners and non-owners" and "owner occupied and non-owner occupied dwellings"). To begin with the former, the variables of age of the HHh, Hh type, existence of children, Hh size and HHh and total Hh income are used to reveal the differences between OO and NOO.

Recalling Chapter 4, the main raw data set employed for Turkey is the HBS of 2003, which, it should be remembered was obtained through survey sampling. For the Netherlands, the raw data from a similar survey sampling – WBO 2002 – is used. The data sets have been processed to reveal only urban populations within the context of this study, as EHO is considered to be an urban phenomenon. The figures are processed to represent owner occupiers, non-owner occupiers and the total urban sample; and the findings from these sources are given in the figures and tables, referring to these samples rather than to the whole populations of the two countries. In other words, in the national level comparison, the figures represent only the associated samples: 18,278 Turkish Hhs in HBS 2003; and 63,233 Dutch Hhs in WBO 2002. In the case study of Ankara-ROA, further sub-samplings are made from the primary sample, the details of which are given in Section 5.5.

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[1] Factors affecting EHO were elaborated in detail in 2.3., and their possible affects are briefly recalled at the beginning of the sections for each factor.

Section 4.1.2 put forward the reasoning behind this thesis in making a comparison of OO and NOO rather than renting and owning. The first reason stated was that the rental sector may have different components in different countries: In Turkey, for instance, there has never been a system of public renting, with the rental sector wholly dominated by properties of private landlords. Even if Turkey did have both private and public rental stock, as in the Dutch case, comparisons would still be difficult since the concepts of private and public renting may have different meanings in the two countries, for example, in some countries, like the United States, there is state control even over private rental dwellings, while in Turkey it is private landlords that set the standards, resulting in different social patterns and relationships. In the Netherlands, the rental sector covers both public and private renting for the purpose of this thesis, unless stated otherwise.

Contrarily, OO and NOO have the same meaning in both countries. If the Hh holds a title of the property for the use, renting out, etc. of the dwelling unit, s/he is defined as the owner; and when s/he also lives in that particular dwelling, s/he is the owner occupier[2]. In the data sets, ownership has already been defined as OO, and as such the comparison of OO and NOO has been established as the best way to obtain robust results.

In Turkey NOO covers gecekondus, private rental, governmental accommodation (reserved mostly for civil servants), among other tenure types, whereas in the Netherlands, the term covers renting (huurder in

[2] Dutch OO covers *erfpacht,* since in the WBO and WoON it is already considered as a part of OO (huko=1). Additionally, in section 3.4.1 it was shown that leaseholders enjoy the same rights as owners (Haanappel et. al, 2002). Considering further that in the Netherlands as a whole the ratio is only 7.80 %, erfpacht comes under the umbrella of OO.

WBO), which may be either public or private[3]. It is worth bearing in mind that generally speaking NOO in Turkey means private renting (21 % of the entire stock, 74 % of non-owner occupier), and therefore is biased in terms of the attributes of renting. Dutch NOO, on the other hand can be assumed to refer to the attributes of public rental, since it comprises some 35–37% of the entire Dutch housing stock and 75% of the rental stock[4].

Table 5.1: Type of Persons in Rental Property, Urban Netherlands, 2002

	Frequency	**Valid percentage**
Social renter: corporations, house building associations, municipal housing companies	20,616	77.9
State, province, waterboards	158	0.6
Private body renting out: Pension funds, insurance company, investor, broker	3,513	13.3
Private person	1,421	5.4
Other	759	2.9
Total	26,467	100
Missing	36,766	58.1
Grand total	63,233	100

Source: Processed from WBO, 2002.

5.2. NATIONAL LEVEL COMPARISON TURKEY AND THE NETHERLANDS: POSITIONS OF OO AND NOO THROUGH AN ANALYSIS OF HH AND HOUSING ATTRIBUTES

In this part of the study, OO in the two countries is compared in terms of the characteristics of the Hh and housing, for which the variables of age of the HHh, Hh size, Hh income, Hh type, age of the stock, number of rooms, size of dwelling and type of dwelling are employed. The analysis is carried out for urban samples in the two countries, and these variables are recoded into sub-groups rather than using them in their raw formats. Generally speaking, recodings are made considering the

[3] Dutch NOO figures are acquired by selecting cases from WBO 2002 by huko>1. This means that all Hh that are not owner occupiers, are counted as NOOs.

[4] http://international.vrom.nl/pagina.html?id=10956 (accessed on 29 June 2008)

circumstances of both countries; and therefore the origin of the classifications stems from frequencies in both countries and the need to examine some groups in detail.[5]

5.2.1 Age of the HHh

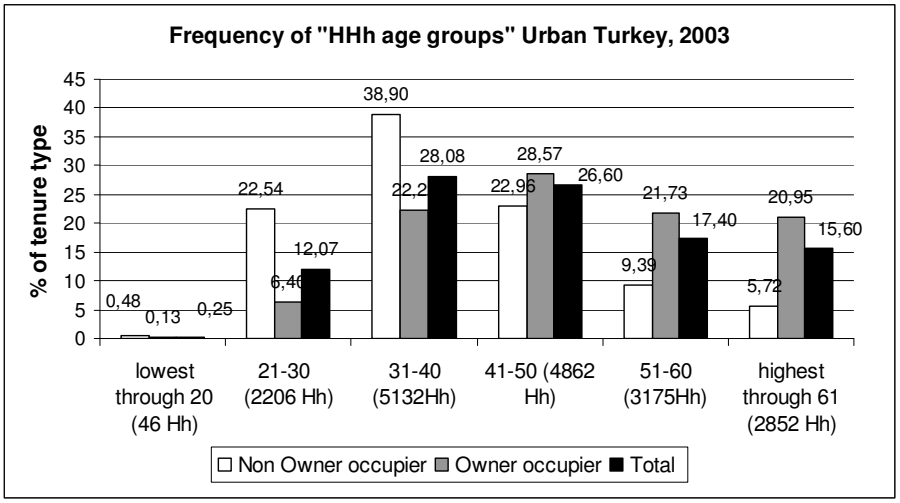
The age of the HHh is one of the most explanatory variables in studies of tenure choice, since it provides information about the life course events of a Hh, from which the repercussions of Hh events on housing careers can be traced. This characteristic is particularly relevant, as it also indirectly determines other Hh characteristics. When the householder is more advanced in years, their choices for the future decrease. For instance, it becomes harder to change professions later in life, since some options close with the age factor. Likewise, Hh events such as marriage and childbirth generally occur around a particular age: while singlehood may mean different conditions at different ages; and cohabiters, as they increase in age, become more committed to each other. Therefore, the age of the HHh in most cases provides a further incentive for home ownership (Feijten et al. 2003).

A study of the Hh figures in Turkey reveals that HHh younger than 20 years old comprise only 25 ‰ of the total urban Hhs in Turkey. This is because in Turkey, the offspring of a family generally leave the family home due to marriage and/or moves to a different city for work or education. This means that Turkish people tend to form private Hhs at a

[5] For instance, Hh size was initially recoded into six groups, with the final group (6) referring to Hhs of "6 or more persons". This recoding was not helpful in analyzing the larger Hhs in Turkey with any satisfaction since the ratio is high (15.15 %), and thus had to be divided into sub-groups to allow a better analysis. Similarly, in the recoding of the variable "Dwelling size", the high frequency of dwellings larger than 150 m² (19.65 %) in the Netherlands made it necessary to sub-divide this group (this ratio is only 2.30 % for Turkey). These recodings, therefore, are refined to enable an analysis of smaller groups.

comparatively later stage of life. In terms of its effect on the housing stock, this characteristic also means that in Turkey private Hhs tend to form when the HHh has already reached a relatively more advanced age and has achieved a level of stability that may be more suitable for home-ownership than remaining the rental sector (Sarıoğlu, 2007a).

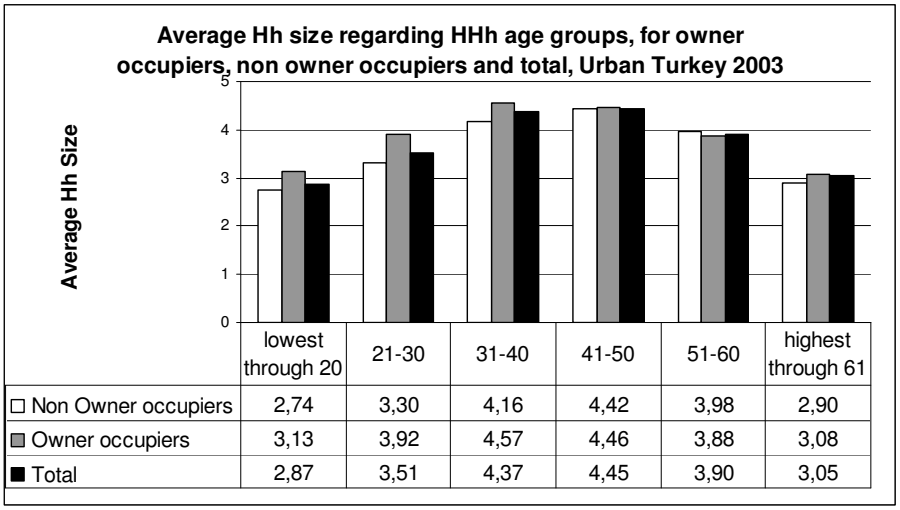
Figure 5.1: Frequency of "HHh Age Groups", Urban Turkey, 2003.



Source: Processed from HBS, 2003. Number of households in parenthesis represents total number of households in that HHh age group, disregarding tenure type.

As Figure 5.1 demonstrates, of the owner occupied dwellings in the urban stock, 71.25 % are older than 40, whereas this is only 38.07 % for non-owner occupied dwellings. This is evidence of the positive effect of HHh age on EHO in urban Turkey. Similarly, Figure 5.2 reveals a common tendency among all age groups (aside from 51–60) for owner occupiers to have larger Hh sizes. For both owner occupiers and non-owner occupiers, the 31–40 and 41–50 groups represent the age cohorts with the largest Hh sizes, which can be associated with stable features favouring home ownership. The 31–40 age group, which is characterized by the largest Hh sizes, is also the point at which the home ownership ratio surpasses NOO (see Figure 5.5).

Figure 5.2: Average Hh Size According to HHh Age Categories for Owner Occupiers, Non-Owner Occupiers and Total, Urban Turkey, 2003.



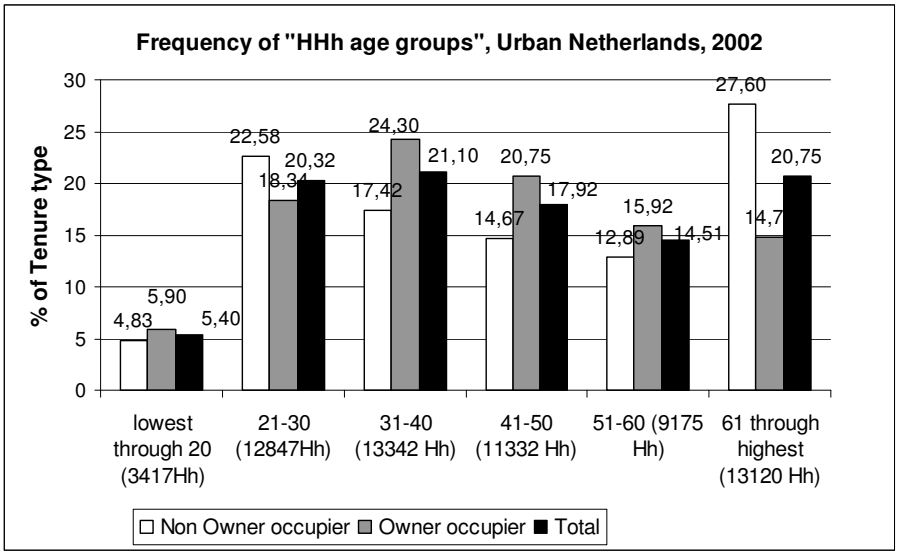
	lowest through 20	21-30	31-40	41-50	51-60	highest through 61
□ Non Owner occupiers	2,74	3,30	4,16	4,42	3,98	2,90
▒ Owner occupiers	3,13	3,92	4,57	4,46	3,88	3,08
■ Total	2,87	3,51	4,37	4,45	3,90	3,05

Source: Processed from HBS, 2003.

Given that the age of the HHh and events in the Hh are linked, figures 5.1. and 5.2 denote the effects of life cycle events on tenure choice. In this sense, in Turkey, when the HHh reaches the age of 30, the attributes of the Hh lean more towards home ownership. It can thus be argued that it is in their 30s and 40s that people tend to begin the process of EHO in Turkey.

In the Netherlands, 5.40 % of all HHhs are younger than 20, and 20.32 % are younger than 30. The Dutch demographic pattern in terms of householder age reveals that early Hh formation is more frequent than in Turkey. Of all owner occupiers in the Netherlands, 60.97 % are aged 31–60. Excluding the "lowest through 20" group, non-owner occupiers comprise the youngest and oldest age groups (21–30 and 61+) by 50.18 %. This makes OO a "middle age" tenure type when life cycle events, such as co-habitation, childbirth, marriage etc. most commonly occur. On the other hand, NOO is more of a tenure category for the younger and older householders in the Netherlands.

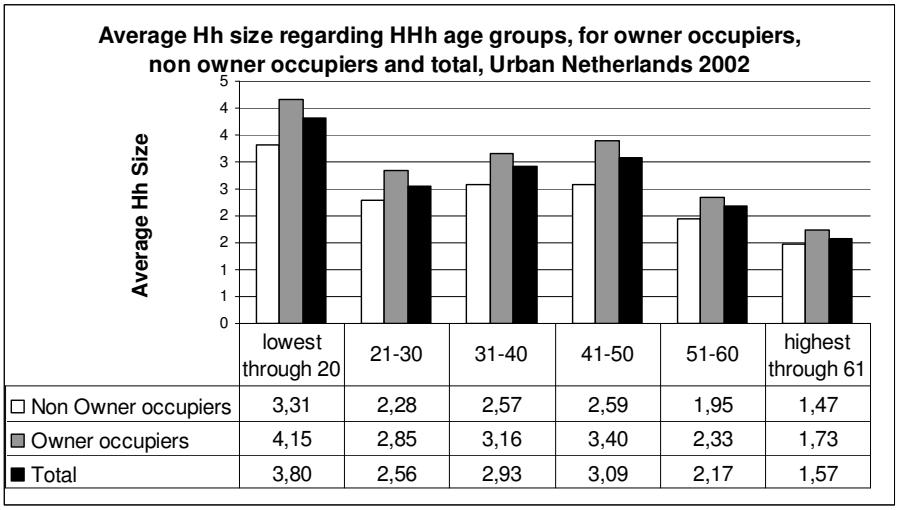
Figure 5.3: Frequency of "HHh Age Groups", Urban Netherlands, 2002.



Source: Processed from WBO, 2002. Number of households in parenthesis represents total number of households in that HHh age group, disregarding tenure type.

Figure 5.3 also supports that, different from the Turkish case, OO in the Netherlands is not necessarily maintained for the whole life of Hhs. Dutch Hhs make moves within tenure types in line with changes in their Hh attributes. The effect of life cycle events obtained indirectly from the age of the HHh can be read from Figure 5.4: for all Dutch HHh age categories, owner occupiers tend to have larger Hh sizes. Excluding the youngest group, the average Hh size tends to increase from the 21–30 to the 41–50 age groups. This makes OO favourable for the 21–50 age group, since stability levels (in terms of income and Hh stability) are expected to be higher in that range.

Figure 5.4: Average Hh Sizes for Owner Occupiers, Non-Owner Occupiers and the Total, According to HHh Age Categories, Urban Netherlands, 2002.



Source: Processed from WBO, 2002.

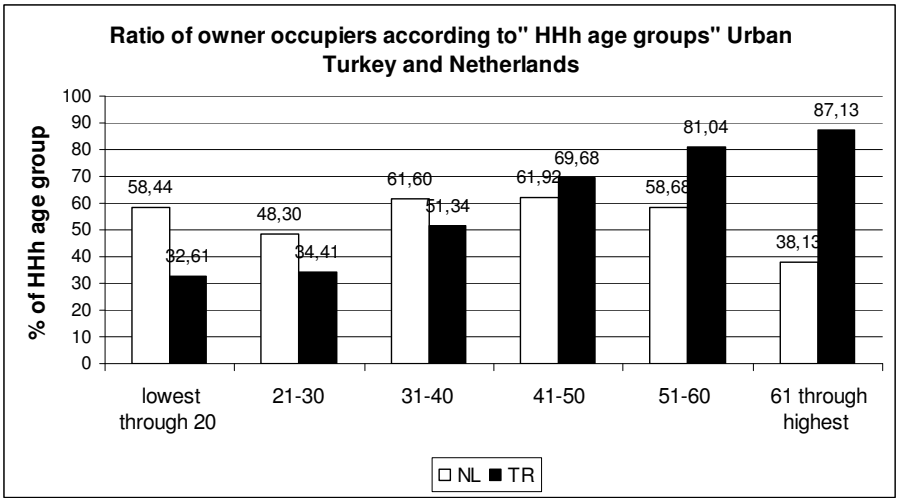
Table 5.2: Average HHh age for owner occupier and non owner occupiers, Turkey (2003), The Netherlands (2002)		
	Turkey	**The Netherlands**
Owner occupiers	49.26	42.97
Non Owner occupiers	39.50	46.69
Total	45.83	44.70
Source: Processed from WBO, 2002 and HBS, 2003.		

From the above it can be understood that in Turkey owner occupiers are older than non-owner occupiers, on average (49.26 and 39.50 respectively), indicating that Turkish Hhs follow the order of "first renter then owner" in their housing careers, beginning the process of EHO later in life. However, in the Dutch case, where the average age of non-owner occupiers (44.70) is higher than that of owners (42.97), Hhs stay in the rental sector even as they become older, in some cases choosing not to enter OO at all. This leads us to state that the expected order of housing tenure careers – first renter then owner – is not universal, and may not be valid for Dutch Hhs (Sarıoğlu, et al., 2007).

It is also significant to note that the gap between the average ages of owners and non-owner occupiers is 9.76, indicating a strong social distinction between the two categories of tenure (Sarıoğlu et al, 2007). In a previous study of Sarıoğlu (2003), similarly, the HHh age gap between owner occupiers and non-owner occupiers were calculated as 9.84 for Turkey, however in the Netherlands, this distinction is found to be –3.72. The fact that, on average, Dutch non-owner occupiers are older than owner occupiers is a result of the extensive social housing policies that have been implemented for decades in the Netherlands. Although recent housing policies have been aimed at promoting ownership, there are still Hhs who prefer to remain in the rental sector, leading to an increase in the average age of renters.

A comparison of age groups (Figure 5.5) reveals the differences more explicitly. In Turkey, as the age of the HHh increases, the home ownership rate also increases. For the youngest age groups (younger than 30), NOO is dominant; while for all the other age groups, ownership is the prevalent tenure type. The fact that in Turkey home ownership rates increase as the age of the HHh increases may imply the predominance of "one way (from renting to owning) housing careers", in which backward shifts are rare. Once Hhs become home owners they rarely return to the rental sector, even if the characteristics of the Hh change during the life cycle. This "one way housing career" provides evidence of the cultural significance of the ownership tenure in the estimation of Turkish Hhs, and/or the existence of a number of barriers, such as limitations in stock, financial burdens of transaction costs etc., which would possibly prevent backward moves to renting.

Figure 5.5: Ratio of Owner Occupiers According to "HHh Age Groups", Urban Turkey (2003), the Netherlands (2002).



Source: Processed from WBO, 2002 and HBS, 2003. Since the values for non owner occupancy is symmetrical to that of owner occupiers, only owner occupiers for both countries are portrayed.

For the Dutch Hhs, ownership is the prevalent tenure type, except for people in the 21–30 and 61 + age groups (Figure 5.5). For the 61 + age group, this means that there are cases in which Hhs make a reverse move – from ownership to the rental sector – in their housing career; or alternatively, no move to OO at all. Of all the non-owner occupiers aged 51 + at the time of the WBO, 68 % were previously non-owner occupiers. The 61 + age group can be considered as a specific group, since they are the Hhs who were raised in the post-war period, when social rented housing was considered as the only way to satisfy the need for shelter. As such, they are the Hhs who for long periods have lived in the rental sector, and so are much more familiar with it than other age groups. Furthermore, even if they have at some time in their lives become home owners, there are still many reasons in the Netherlands for them to move back to the rental sector. The rented stock is generally of high quality and is a relatively cheaper option for small-sized Hhs with lower incomes.

There may be two explanations for the high ratio of renters in the older Dutch Hhs: moves from ownership back to renting due to changes in

their Hh features; or a reluctance to enter OO. As the first explanation indicates that Dutch Hhs do move within tenure types (from renting to owing, from owning to renting etc), but do not become captive of any particular tenure type; which may be debated as leading to an efficient use of the housing stock. However, the second explanation implies either that renting is considered more beneficial, or that the promotion of OO could not easily be followed by older Hhs.

As Table 5.3 demonstrates, only 52 % of all owner occupiers aged 61+ have entered into one or more mortgages, lower than the national average of 88.7 %; and that 42 % of all owner occupiers aged 61+ have entered into no mortgage at all.

Table 5.3: Mortgage use in Terms of Age of the HHh

	One		**More**		**None**		**Total**
HHh age	**Frequency**	**%**	**Frequency**	**%**	**Frequency**	**%**	**Frequency**
lowest through 20	68	72.3	8	8.5	18	19.1	94
21-30	3504	88.9	337	8.6	100	2.5	3941
31-40	6699	83.3	1169	14.5	174	2.2	8042
41-50	5366	77.1	1282	18.4	308	4.4	6956
51-60	4008	74.6	775	14.4	589	11.0	5372
61 through highest	2599	52.1	253	5.1	2130	42.8	4982
Total	22244	75.6	3824	13	3319	11.29	29387

Source: Processed from WBO 2002.

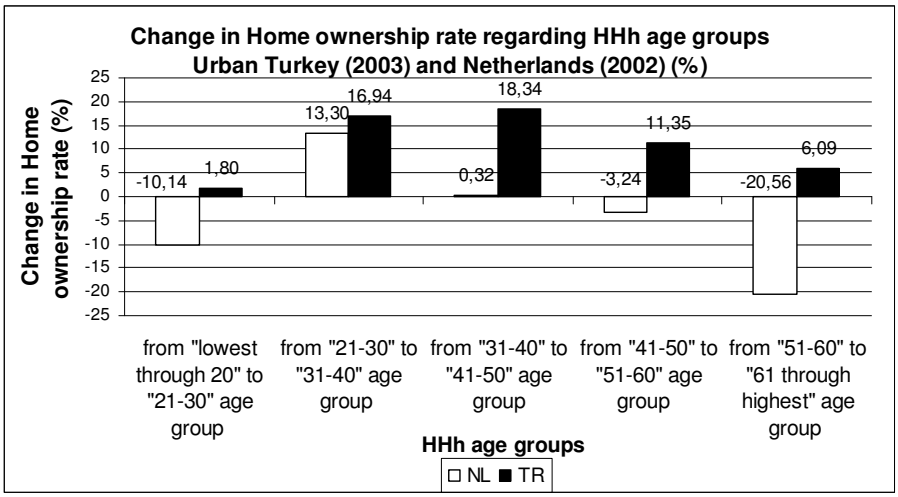
This may indicate weak promotion of OO for senior citizens in the Netherlands[6]. The 21–30 age group can also be considered as special, comprising mostly individuals with less stability in terms of their education and marital status. Generally speaking, Dutch Hhs, depending

[6] The high ratio of NOO at older ages in the Netherlands is argued to lead to "late renting" – one of the problems identified in this study. This is elaborated in 6.2.2.1.

on the Hh status, tend to make moves within tenure types. Therefore, the dominant "one way" move that is particularly valid in Turkey is not necessarily applicable in the Netherlands.

Figure 5.5 indicates the effect of life cycle events on the process of becoming an owner occupier. However the increase of the OO ratio is unequal for all shifts from one age group to the next, since after a certain age cohort, for example the 30s, marriage and childbirth are more common; while in other age cohorts, income may be improved. In a previous study of Sarıoğlu (2003), it was affirmed that for a HHh aged between 21–40, it would be necessary to save their entire income for 34.4 months to purchase an average-priced dwelling, whereas this saving time is only 26.7 months for HHhs aged between 41–60, revealing the favourable position of EHO for the 41–50 age group in Turkey.

Figure 5.6: Change in Home Ownership Rate Regarding HHh Age Groups, Urban Turkey (2003), the Netherlands (2002).



Source: Processed from WBO, 2002 and HBS, 2003.

In Figure 5.6, as well, a similar tendency can be observed: from the younger than 20 to the 21–30 Hh age group, the home ownership rate increases by only 1.80 %. However, the ratio of home owners increases by 18.34 % between the 31–40 to 41–50 HHh age groups (in Turkey). This shift is due to the most significant life cycle events and the stability

of the Hh's life at that age, both of which are factors that are highly associated with EHO.

In the Netherlands, the major increase happens in an earlier shift, from the 21–30 to 31–40 age group, with an increase of 13.30 % in the ownership ratio. This supports the discussion of the demographic attributes of Dutch Hhs in Chapter 3, which revealed that Dutch Hhs begin their housing careers earlier, since Hh events also happen earlier.

In study of Sarıoğlu (2003), it was argued that the age groups of 21–40, 41–60 and 61+ would provide a further evidence for an explanation of EHO in Turkey. Having employed 1994 HICES data, the highest increase in the home ownership ratio was observed in the shift from the 21–40 to 41–60 age group, linked to he highest average values of the 41–60 age group in terms of Hh size, income, number of earners, number of rooms, dwelling size and dwelling value. Following this argument, if the HHh age is grouped in the same way for 2003 data, the effect of life cycle events may be more effectively traced.

Table 5.4: Averages for Three HHh age groups, Urban Turkey (2003), Urban Netherlands (2002).						
	TR			**NL**		
	Younger than 40	**41-60**	**61+**	**Younger than 30**	**31-60**	**61+**
Home ownership rate	46,2	74,2	87,1	49,2	61.2	39
Average Hh size	4,11	4,23	3,05	2,83	2,75	1,60
Average HHh income	5.652 (*MTL*)	6.099 *(MTL)*	5.807 *(MTL)*	23.404 *(Euro)*	28.710 *(Euro)*	19.978 *(Euro)*
Average Hh income	9.654 (*MTL*)	12.356 *(MTL)*	10.025 *(MTL)*	36.313 *(Euro)*	47.651 *(Euro)*	27.941 (*Euro*)
Average number of rooms	3,35	3,51	3,38	3,98	4,57	3,91
Average dwelling size	99,09	103,53	98,70	110,54	130,87	109,17
Source: Processed from HBS, 2003, WBO, 2002. The figures represent whole sample, not only carried out for owner occupiers.						

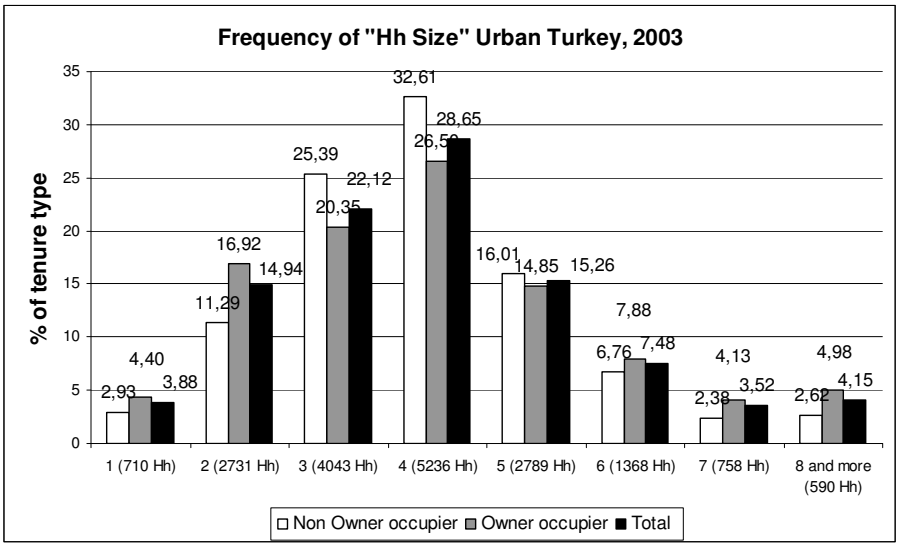
In Turkey, all the average figures are highest for the 41–60 age group Hhs, supporting the reason why the home ownership rate for this group increases the most. Similarly, in the Netherlands, all the average figures have the highest values, aside from the average Hh size, for the for Hhs in which the HHh is in the 31–60 age group. This means that beginning from the 30s in the Netherlands, and the 40s in Turkey, EHO is realized by significant numbers of Hhs. Triggered by Hh size and income increases during these age cohorts, EHO moves bring more rooms and larger dwelling size, in general.

Furthermore, it is argued that Turkish Hhs mostly move to OO in their 40s, whereas Dutch Hhs make this move beginning in their 30s. This 10 year difference may be linked to the earlier Hh formation process observed in the Netherlands, which enables Dutch Hhs to begin individual housing careers earlier as well. This has been discussed previously in 3.1.4.

5.2.2 Hh Size

Hh size is a significant factor affecting EHO. In a housing market, it is expected for Hhs to choose their dwellings in accordance with their Hh size in order not to end up with over-crowding or under-utilization in the dwelling. For an efficient housing stock and residentially satisfied Hhs, the matching of Hh and dwelling is crucial. Actually, as Dieleman and Everears (1994) state, Hh size can have a double impact on the move to home ownership. On the one hand, with the increase in Hh size (growth of the family, for instance), demand for a larger house increases, meaning higher rents. It is during this phase that most Hhs begin to consider a move to ownership rather than remaining in the rental sector, as there is the potential with ownership to amortizing the costs in the long term. An increase in the Hh size, on the other hand, indicates that the stability and the level of commitment of the Hh is high, which is also associated with the move to ownership.

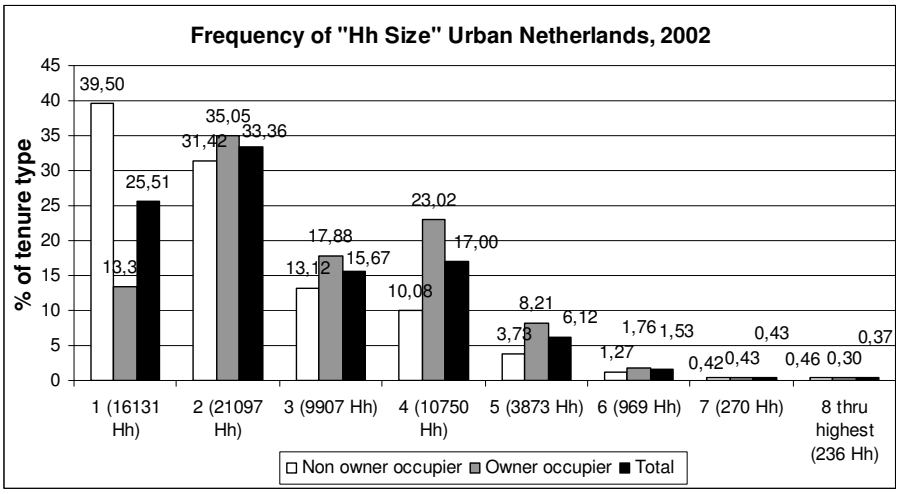
Figure 5.7: Frequency of "Hh Size", Urban Turkey, 2003.



Source: Processed from HBS, 2003. Number of households in parenthesis represents total number of households in that Hh Size group, disregarding tenure type.

The Turkish population is characterized by large Hhs, as marriage is still a pervasive social institution that orients relations in society more than in the Netherlands. As a result, 81.18 % of all Hhs have at least three members in Turkey. Of all owner occupier Hhs, 68.17 % comprise four persons or fewer, whereas of all non-owner occupiers this figure is 72.22 %. Considering the average Hh size in Turkey to be four (HBS, 2003), for Hhs larger than the average, OO is found to be the dominant tenure type.

Figure 5.8: Frequency of "Hh Size", Urban Netherlands, 2002.



Source: Processed from WBO, 2002. Number of households in parenthesis represents total number of households in that Hh Size group, disregarding tenure type.

In the Netherlands, more than half of the population (57.54 %) live in Hhs with at most two members. Of all non-owner occupiers, 70.92 % are one or two person Hhs. For OO, however, the reverse is true: more than 50 % of owner occupier Hhs are of three or more persons. A Hh size comparison of OO and NOO Hhs in the Netherlands reveals similar relationships to those found in the Turkish case. Below the national average Hh size of 2.54, NOO is prevalent.

Table 5.5: Average Hh Size for owner occupier and non owner occupiers, Turkey (2003), The Netherlands (2002).

	Turkey	**The Netherlands**
Owner occupiers	4.03	2.87
Non Owner occupiers	3.93	2.16
Total	4.00	2.54

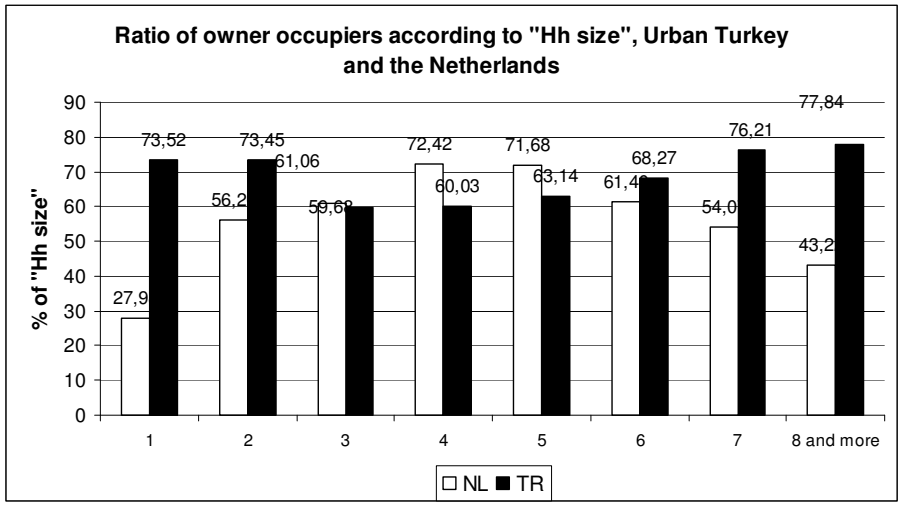
Source: Processed from WBO, 2002 and HBS, 2003.

The average Hh sizes of renters and owners in the two countries are strikingly different. However, one common denominator is that OO is normally associated with larger Hhs than NOO in both countries.

As Hh size increases, it is expected that the OO ratio will increase as well since the commitment level within the Hh is expected to increase, making decisions for the future possible. In addition, since on average owner occupied dwellings are larger, Hhs are theoretically anticipated to become home owners of larger sizes of dwellings in order not to lead to overcrowding. However, in Turkey, the relation between Hh size and tenure choice is not easy to comprehend, as for every Hh size, OO is dominant. To understand this relation it is necessary to examine the size of the dwellings and number of rooms with reference to different tenures (See 5.2.6 and 5.2.7).

From Figure 5.9 it can be seen that for each Hh size group, OO is the prevalent tenure type in Turkey. The ratio of OO has a tendency to take larger shares as the Hh size increases, aside from in the two smallest Hh size groups (one and two). In an increase in Hh size of three to four, the ownership ratio increases only by 0.35 %; while the rate of increase gets bigger in Hh size changes from five to six, and from six to seven (5.13 % and 7.94 % respectively). These figures demonstrate that changes in Hh Size in EHO may have different implications.

Figure 5.9: Ratio of OO According to "Hh Size Groups", Turkey (2003), the Netherlands (2002).



Source: Processed from WBO, 2002 and HBS, 2003. Since the values for non owner occupancy is symmetrical to that of owner occupiers, only owner occupiers for both countries are portrayed.

However, in the Netherlands, as Hh size increases, OO also steadily increases. Only for Hhs of eight people or more, represented in the

sample only by 236 Hhs, is NOO dominant. This group in fact may comprise Hhs that have no commitment to each other, such as those living in student accommodation, and thus have no motive for OO. It is worth bearing in mind that this explanation may not be valid for Turkey, where eight-person Hhs (families – not eight persons living together) could really exist due to the high number of children and three-generation Hhs, even in the urban population.

For one person Hhs, NOO is the dominant tenure type in the Netherlands, which may serve as an indicator of the Dutch housing stock: the differences between OO and renting are such that the system favours renting for small sized Hhs, and encourages OO when the Hh size is bigger. However, in Turkey for all Hh sizes, OO is dominant. The ratio of OO increases from 59.68 % to 77.84 % as the Hh size increases from three to eight persons or more. Thus, while Hh size has some influence on EHO in Turkey, it is not as high as in the Dutch case: There are no large increases in the OO rate in Turkey to match the increase in OO from 27.98 to 56.68 % in the Netherlands (from one to two-person Hh size). Turkish Hhs seem to be indifferent to Hh size in their tenure choices, indicating an indirect rationale for ownership when compared to Dutch Hhs.

In Turkey, the homeownership ratio has a tendency to increase as the Hh size increases, apart from in the smallest two Hh size groups (one and two). With an increase in Hh size from three to four persons the ownership ratio increases by only 0.35 %, however the rate of increase becomes larger for Hh size changes from five to six, and from six to seven persons (5.13 % and 7.94 % respectively). These figures demonstrate that Hh size in EHO may have different implications. For the Netherlands as well, a shift from a one to two-person Hh size means a change from a single Hh to a Hh of a couple, which inevitably increases the motivation for OO. The figures support this effect clearly: From one person Hhs to two person Hhs the ratio of OO almost doubles: from 27.98 % to 56.20 %.

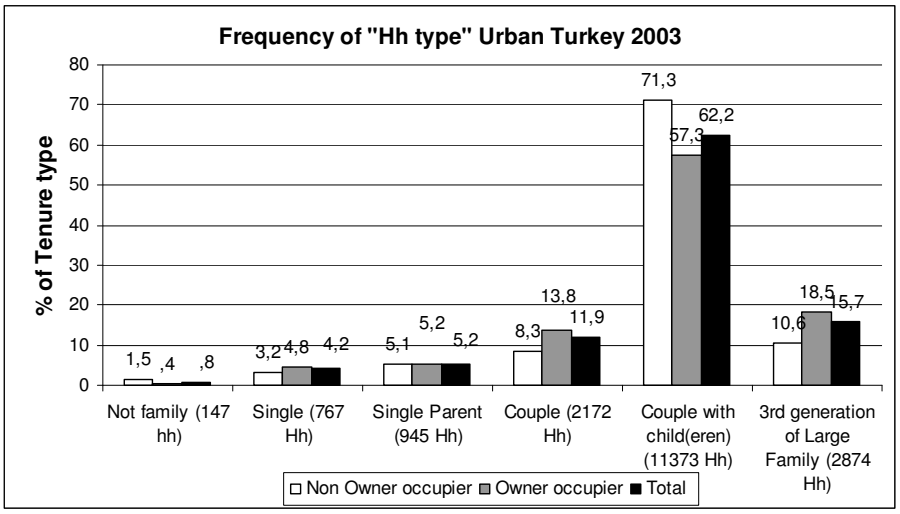
5.2.3. Hh Type

Since moves within tenure types (e.g. move from renting to owning) occur in line with processes in Hh formation (life cycle events), variables

such as marital status and number of children are generally used as indicators, and as such will also be employed in this thesis.

In Turkey, Hhs with children are the prevalent type (81.10 % of the whole sample), while cohabiting is almost non-existent, even in the urban areas, where it accounted for only eight of the 25,764 Hhs. Of all owner occupiers, 78.80 % have at least one child in Turkey, whereas for non-owner occupiers the ratio is 85.40 %. Both figures are high due to the overall frequency of existence of children in the whole sample (81.11 %). Similarly, couples with children are the most frequent Hh type in terms of OO, NOO and the whole sample.

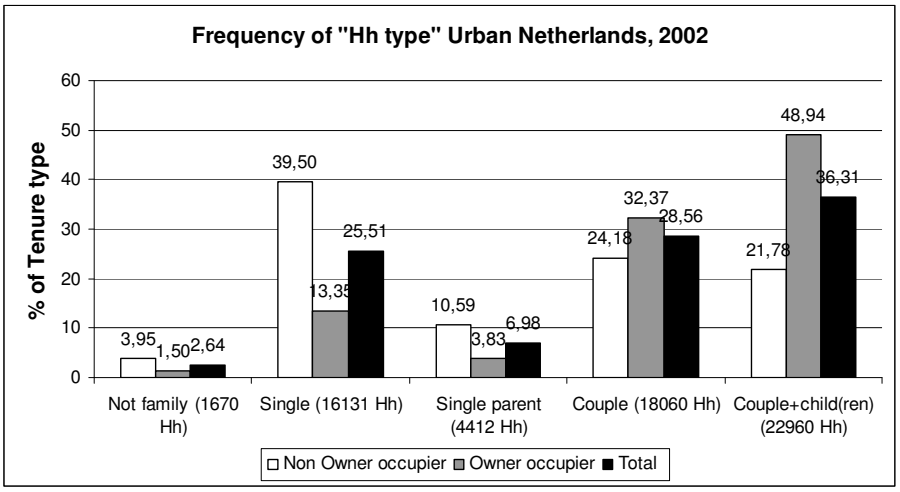
Figure 5.10: Frequency of "Hh Type", Urban Turkey, 2003.



Source: Processed from HBS, 2003. Number of households in parenthesis represents total number of households in that Hh Type group, disregarding tenure type.

In the Netherlands, co-habiting is a pervasive social institution. Some 64.87 % of the urban sample is comprised of couples, either with or without children. Unlike in Turkey, three-generation Hhs are not a typical feature of the Dutch population, almost to the point of being completely absent.

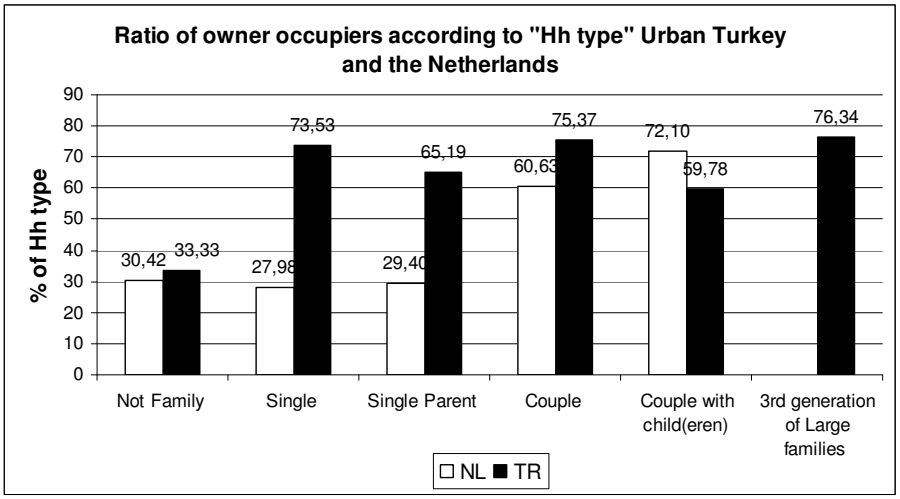
Figure 5.11: Frequency of "Hh Type", Urban Netherlands, 2002.



Source: Processed from WBO, 2002. Number of households in parenthesis represents total number of households in that Hh Type group, disregarding tenure type.

Previous literature on EHO denotes that the level of commitment is highly associated with tenure choice, and generally speaking favours OO (Feijten and Mulder, 2002; Feijten et. al.;*2003). I*n the Netherlands, as Figure 5.11 supports, of all owner occupiers, 81.31 % are couples or couples with children; while of all non-owner occupiers, 39.50 % are single-person Hhs. In contrast to the Turkish case, Hh type is a key factor in EHO, revealing the relevancy of life cycle events in the housing careers of Dutch Hhs.

Figure 5.12: Ratio of Owner Occupiers According to "Hh Type Groups", Urban Turkey (2003), the Netherlands (2002)



Source: Processed from WBO, 2002 and HBS, 2003. Since the values for non owner occupancy is symmetrical to that of owner occupiers, only owner occupiers for both countries are portrayed.

The ratio of owner occupiers does not change significantly for different Hh type groups, being the dominant tenure type for almost all. The only group in which this is not the case is the "not family" group in Turkey, which comprises such groups as students in temporary co-habitation, who will have no motive for home ownership. Additionally, Turkey goes against the common expectation that life cycle events, such as being a couple and having children, increase home ownership ratios, as in Turkey there is rather a decrease.

5.2.4. Income

In order to analyze the effect of income on EHO, several methods can be used: income of HHh, total income of the Hh, number of earners, parental resources, e.g. Both the HBS and WBO use a number of different formats to divulge income information; but for the purpose of this thesis it is HHh income and total Hh income that will be taken from the two data sets. Both variables are available in the Turkish and Dutch

data sets by year. It is important to note that income for the Netherlands is in Euros and for the year 2002; while the Turkish data is in TL[7] for 2003, and as such the averages are not comparable across countries, but can be compared across tenure types within each country.

Table 5.6: Variables Employed for Hh and Hh Total Income for Turkey and the Netherlands

	Turkey		**The Netherlands**	
		Format/currency	**Variable name**	**Format/currency**
Householder Income (Income of the head of the Hh) (5.3.4.1)	HHh income[8] (*Ücret geliri*)	Annual/TL in 2003	Personal income of the HHh[9] (*persoonlijk inkomen OP*)	Annual/Euro in 2002
Hh Total Income (5.3.4.2)	Hh disposable income[10] (*Yıllık kullanılabilir gelir*)	Annual/TL in 2003	Personal income of the HHh (*persoonlijk inkomen OP+PA*)	Annual/Euro in 2002

The annual HHh income is acquired from the data sets, and is further processed to be used in five quintiles of income[11].

[7] HBS provides income in TL, however, in this study in several tables MTL is used just for shortening purpose. MTL stands for million TL.

[8] This refers to annual net income paid, such as in salary or wages.

[9] As householder income, personal income (persiop) which can be defined as the total taxable income is employed from the WBO data set. For the total income, the total personal incomes of both persiop+persipa are used.

[10] This is a given as the default in the data set, and is a total of salaries and any other income from second jobs or rent income from which non-consumption costs and any regular payments are subtracted. This figure is then multiplied by the inflation ratio as an index and given in annual income. In other words, household disposable income= [(annual Hh Income x Index)]+(Imputed rent x Index x 12) – [(annual non-consumption costs + annual regular compensations) x Index]

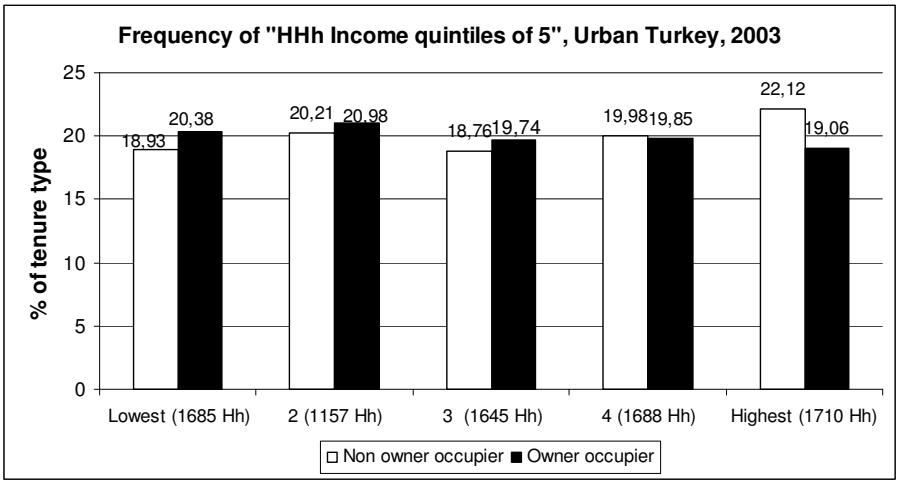
[11] SPSS programme allows ranking and creating groups of income with equal number of Hhs. Total number of Hhs for each income group are very close to each other (Figure 5.13). They are not exactly same due to existence of same income values in the

5.2.4.1. Income of the HHh

In previous literature it has been shown that income and OO are positively related. Since buying a house is one of the largest purchases in a lifetime, it is strongly associated with the financial circumstances of the Hh.

Of all owner occupiers, 39.14 % fall into the lowest two income groups in Turkey; while for non-owner occupiers this figure is only 36.73 %. However, these figures change when referring only to urban Turkey.

Figure 5.13: Frequency of "HHh Income Quintiles of Five", Urban Turkey, 2003.



Source: Processed from HBS, 2003. Number of households in parenthesis represents total number of households in that "HHh income quintiles of 5", disregarding tenure type.

The income averages for the five quintiles in Table 5.7 are closer to each other both for owner occupiers and non-owner occupiers. Of all owner occupiers, only the lowest and third income quintiles have slightly higher

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cut points. SPPS counts in those cases and thus the number of cases within each income quintile changes.

income averages than those of non-owner occupiers. Furthermore, moving from the lowest income group to the highest, the average income rises almost seven times, from 1,774 MTL to 12,336 MTL, while the home ownership rate decreases by 5.20 % (from 65.90 % to 60.70 %).

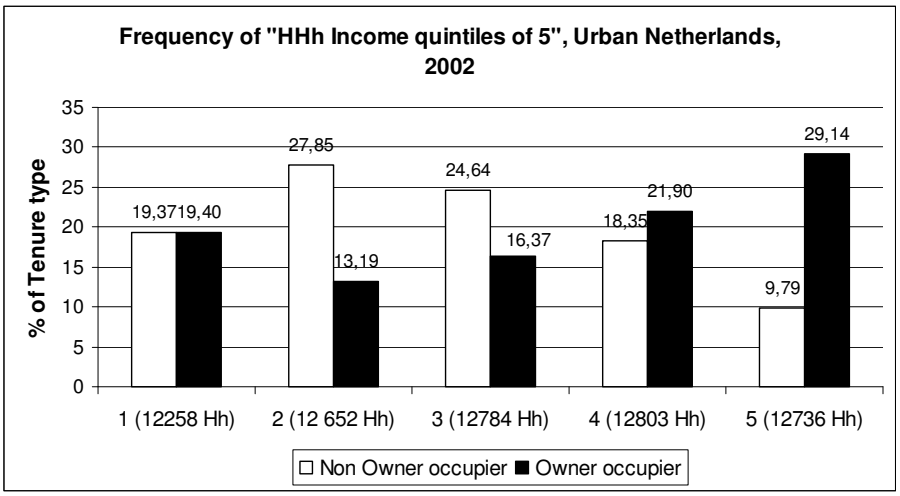
Table 5.7: Average HHh Incomes in Quintiles of Five for Owner Occupiers and Non-Owner Occupiers, and Home Ownership Rates, Turkey 2003

HHh annual income quintiles of 5	Average income for owners (MTL)	Ave. income for non owners (MTL)	Average income for Total (MTL)	Ave. HHh age	Ave. Hh size	Min./ Max. income (MTL)	Home owner-ship rate (%)
Lowest 1	1,794	1,736	1774.63	44,72	4,21	0/2.748	65.9
2	3,348	3,372	3356.7	44,50	4,03	2.750/ 4.000	65.1
3	4,886	4,849	4873.3	44,44	4,10	4.020/ 5.775	65.3
4	6,964	6,995	6975.4	44,28	4,00	5.800/ 8.396	64.0
Highest 5	12,330	12,346	12336.7	45,29	3,86	8.400/ 111.800	60.7

Source: Processed from HBS, 2003.

In the Netherlands, of all owner occupiers, 51.04 % are in the highest two income quintiles, corresponding to only 28.54 % for non-owner occupiers. It can thus be assumed that in the Netherlands, OO is clearly more of a matter of income, in contrast to the Turkish case.

Figure 5.14: Frequency of "HHh Income in Quintiles of Five", Urban Netherlands, 2002.



Source: Processed from WBO, 2002. Number of households in parenthesis represents total number of households in that "HHh income quintiles of 5", disregarding tenure type.

The average HHh income comparison for owner occupiers and non-owner occupiers further represents that for the highest three income groups, owner occupiers have higher income averages in the Netherlands. This is different from the Turkish case, where non-owner occupiers have slightly higher income averages than owner occupiers in the highest two income groups. The home ownership rate increases from 53.50 % to 77.40 % by a 23.9 % increase as the income average increases 18 times.

Table 5.8: Average HHh Incomes in Quintiles of Five for Owner Occupiers and Non-Owner Occupiers, and Home Ownership Rates, the Netherlands, 2002.

HHh annual income quintiles of 5	Average income for owners (Euro)	Average income for non owners (Euro)	Average income for Total (Euro)	Ave. HHh age	Ave Hh size	Min./ Max. income (Euro)	Home owner-ship rate (%)
Lowest 1	2818.35	3551.88	3,159.21	41,75	3.04	0/8.591	53.5
2	12,079.87	12,300.96	12,223.00	50,53	2.23	8.592/ 15.867	35.3
3	19,967.47	19,647.80	19,786.25	43,91	2.45	15.869/ 24.136	43.3

4	28,827.75	28,379.25	28,638.72	42,07	2.41	24.137/ 34.364	57.9
Highest 5	59,662.02	49,676.61	57,404.80	45,24	2.56	34.365/ 59.9380	77.4
Source: Procesed from WBO 2002.							

It can be seen that in the two countries the home ownership rates for the lowest and highest income groups are remarkably different. Of all the Dutch Hhs in the lowest income group, 53.50 % are owner occupiers, while relatively more Turkish Hhs are owner occupiers (65.90 %) in the same quintile. When the highest income groups are compared, the home ownership rate is much higher in the Netherlands than in the Turkish case. This indicates that income positively affects EHO, whereas in Turkey the relation between income and EHO does not yield the expected positive relation defined in earlier literature. Therefore, it can be said that EHO by Turkish Hhs occurs regardless of income.

The average income figures of the HHh by tenure type in the two countries demonstrate that owner occupiers enjoy almost 10,000 Euro more annual HHh income than non-owner occupiers in the Netherlands. In Turkey, on the other hand, owner occupiers have lower HHh income averages. For Turkish low income groups, OO is considered as something more desirable when compared to high income groups, meaning home ownership is considered as a means of obtaining financial security.

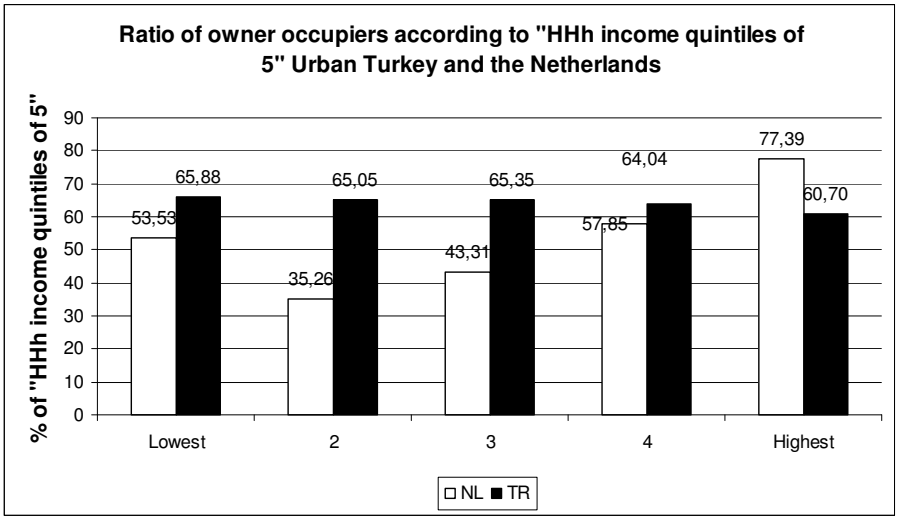
Table 5.9: Average Annual HHh Income for Owner Occupiers and Non-Owner Occupiers, Turkey (2003), the Netherlands (2002).

	Turkey	**Netherlands**
Owner occupiers	5764.7	29108.2
Non Owner occupiers	6048.4	19025.8
Total	5866.1	24419
Source: Processed from WBO, 2002 and HBS, 2003.		

Comparisons carried out between income groups reveals that for all income groups in Turkey, OO is dominant. As Figure 5.15 further indicates, for the lowest income group (1) OO is the most frequent tenure type (65.90 %) of tenure; and this rate decreases with the higher income groups (from 65.90 % to 60.70 %). However, in the

Netherlands, except for the lowest income group, there is a positive relation between the two: as income increases, OO also increases, but has already been seen, for Dutch Hhs, OO is strongly related with income.

Figure 5.15: Ratio of Owner Occupiers According to "HHh Income in Quintiles of Five", Turkey (2003), the Netherlands (2002).



Source: Processed from WBO, 2002 and HBS, 2003. Since the values for non owner occupancy is symmetrical to that of owner occupiers, only owner occupiers for both countries are portrayed.

The income of the HHh, as one of the most significant factors dictating EHO, does not have a positive relation in the urban Turkey context. In the Netherlands, on the other hand, the positive effect of income on EHO is clear. This may be linked to the OO ambitions prevalent in Turkey, which make Turkish Hhs follow opportunities to become owners in almost all cases. EHO is primarily accepted as an ultimate goal and an unavoidable step in housing careers; while in the Netherlands it could be argued that EHO is realized mostly when favourable changes occur in the status of the Hh.

In the next section, the total Hh income will be employed as a secondary means for analyzing EHO-income relations.

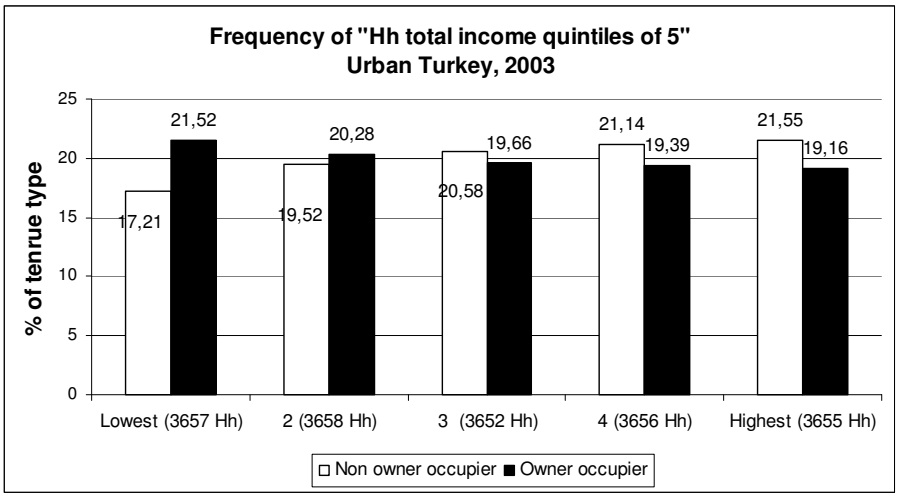
5.2.4.2. Total Hh Income

The findings of the previous section reveal that Turkish Hhs are indifferent to HHh income when it comes to EHO, which means that no matter their earnings, efforts will be made to become owner occupiers. This may lead to misinterpretations and undermine the significance of income in EHO, as in EHO literature income is generally found to have a positive correlation with EHO. For this reason, as a secondary means in this study, total Hh income is examined in order to avoid such misunderstandings.

For Turkey, the total disposable income of Hhs in an annual format is employed from the HBS raw data set. For the Netherlands, the sum of the personal incomes of the HHh and his/her partner is used. Personal income in the WBO data is the total taxable income. This means, the variable "personal income" employed includes not only salaries, but also indirect income from real estate etc. These combined variables are referred to as total Hh income in the following sections.

Regarding this total Hh income, of all owner occupiers, 39.55 % fall into the highest two income groups in Turkey; while for non-owner occupiers this figure is slightly higher, at 42.69 %.

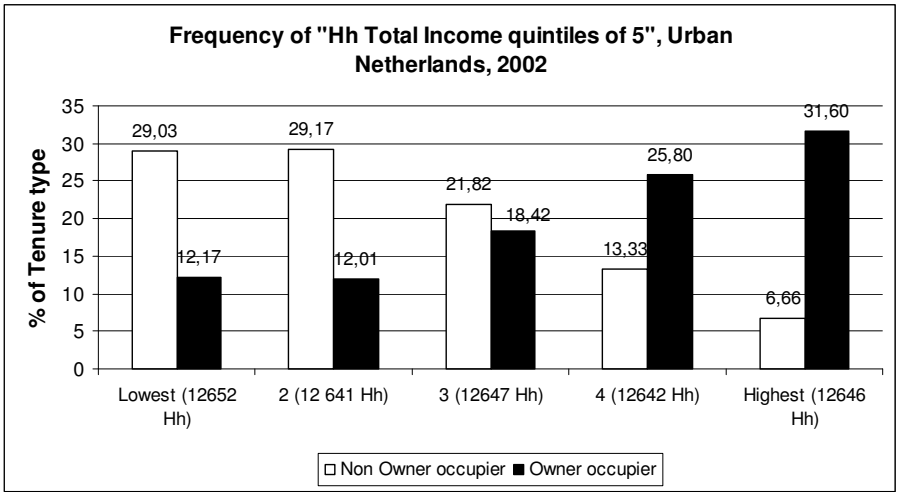
Figure 5.16: Frequency of "Total Hh Income in Quintiles of Five", Urban Turkey, 2003.



Source: Processed from HBS, 2003. Number of households in parenthesis represents total number of households in that "Hh total income quintiles of 5", disregarding tenure type.

Recalling that the variable used as total Hh income also includes income from real estate, which can be saved for EHO, it can be stated that the total Hh income did not yield the expected positive relation to EHO for Turkey, as was the case with the HHh income. On the other hand, OO cannot be differentiated with reference to the total Hh income, similar to the previous findings relating to the HHh income in Turkey.

Figure 5.17: Frequency of "Total Hh Income in Quintiles of Five", Urban Netherlands, 2002.



Source: Processed from WBO raw data, 2002.

In the Netherlands the positive effect is very obvious, where of all owner occupiers 57.40 % are in the highest two income groups. For the non-owner occupiers, the reverse is true, with more than half of all non-owner occupier Hhs in the lowest income groups.

The total Hh income averages further support that in Turkey total Hh income does not have a positive effect on EHO, as was the case with HHh income. This represents a situation where income-rich Hhs may prefer to rent rather than become owner occupiers. In his study, Balamir (1996b) refers to this group as "volunteer renters", who do not invest in OO despite having readily available assets.

Table 5.10: Average Total Hh Income for Owner Occupiers, Non-Owner Occupiers and the Total, Turkey (2003), the Netherlands (2002).		
	Turkey	**The Netherlands**
Owner occupiers	6883.947	48860.28
Non Owner occupiers	7413.72	26051.04
Total	7069.99	38251.94
Source: Processed from WBO, 2002 and HBS, 2003.		

It is worth comparing the income variables with the dwelling values in the two countries. Based upon the assumption that a Hh can set aside 20 % of its annual income as savings, in the Netherlands total savings will be, on average, 666–11,513 Euro per year, from the lowest income group to the highest. When analyzed with reference to the average dwelling value (246,326 Euro), a Hh in the lowest income group has to save 20 % of its total income for 369 years in the Netherlands, compared to only 21 years for the highest income group, since the Hh incomes increase more than 17 times from the lowest to the highest income group.

Table 5.11: Average HHh Income-Average Dwelling Value, the Netherlands (2002), Turkey (2003).

	The Netherlands				**Turkey**			
HHh Income quintiles of 5	**Average Income Annual Euro**	**Freq**	**Annual saving %20***	**Years**	**Average Income Annual MTL**	**Freq**	**Annual saving %20* MTL**	**Years**
Lowest	3.330	12665	666	369,8	1.774	1685	354	79,8
2	12.451	12632	2.490	98,9	3.356	1757	671	42,2
3	19.993	12643	3.999	61,6	4.873	1645	974	29,0
4	28.768	12646	5.754	42,8	6.975	1688	1.395	20,3
Highest	57.567	12647	11.513	21,4	12.336	1710	2.467	11,5
Total	24.419	63233	4.884	50,4	5.866	8485	1.173	24,1

Source: HBS 2003, WBO 2002
Average dwelling values are found to be 246, 326 Euro in 2002 in the Netherlands and 28,313,060,126 TL in 2003 in Turkey. Dwelling value in Who data set is provided only for owner occupiers in the Netherlands. .
**For an affordable housing access, 20% saving is assumed to be ideal*
Freq. stands for "frequencsy".

In Turkey as well it is the lowest income groups that are most affected groups in terms of affordability. A highest income Hh could access OO by saving 20 % of its income for 11 years; while for the lowest income

groups, it would take almost 79 years. The period for saving is shorter in Turkey as the price of an average dwelling is cheaper in Turkey than in the Netherlands. Although incomes are lower in Turkey, due to the availability of low cost dwellings it becomes easier to become an owner occupier.

As a result of the Hh characteristics comparison, it can be stated that in Turkey, for all "age groups of the HHh", "size of the Hh groups" and "HHh income groups", OO is dominant. The only exception to this is the group "HHhs aged younger than 30", for whom NOO is the prevalent tenure. In the Netherlands, on the other hand, tenure choice can be argued to change according to the changes in Hh status. Owner occupancy is not the prevailing tenure type in one person Hhs, in the oldest Hhs (aged +61), for small and larger Hh sizes (one and eight and more), and for the second and third income groups. This indicates further that one of the main issues in the Turkish housing system – captive home ownership[12] – is not valid for Dutch Hhs. The Dutch housing system offers Hhs different alternatives, in which Hhs are not stuck in home ownership, as is the case with Turkish Hhs.

To sum up, in urban Turkey, the Hh characteristics of size and HHh age have positive influences on EHO, which is in agreement with the studies set out in earlier literature. However, income, and Hh type-existence of children did not reveal the expected positive implications. In the Netherlands, the Hh type which provides indirect information on Hh life cycle events is found to be the most explanatory variable: single Hhs are associated with non-owner occupier couples; and couples with children are associated with OO. Income as well positively influences EHO. It can be stated that EHO is linked to Hh events more in the Netherlands than it is in Turkey; while in Turkey, OO is considered more for its investment value rather than its use.

[12] Captive home ownership, which is defined as a problem mostly observed in Turkey, is the state of having entered OO, the reluctance to ever revert to renting. Captive renting, on the other hand, can be found more frequently in the Netherlands.

5.2.5. Age of the Dwelling Unit (Construction Year of the Building)

In terms of housing quality, the Turkish stock, which has been almost completely developed by private entrepreneurs, can be considered satisfactory. The availability of such amenities as running water, bath/shower, central heating and average floor area are above the mean value for EU member and candidate countries (Table 5.12) (Sarıoğlu, 2007a). When compared to the Netherlands, however, Turkish dwellings are on average smaller, containing fewer rooms and less availability of the amenities mentioned, aside from central heating.

Table 5.12: Housing quality in Turkey, The Netherlands and EU

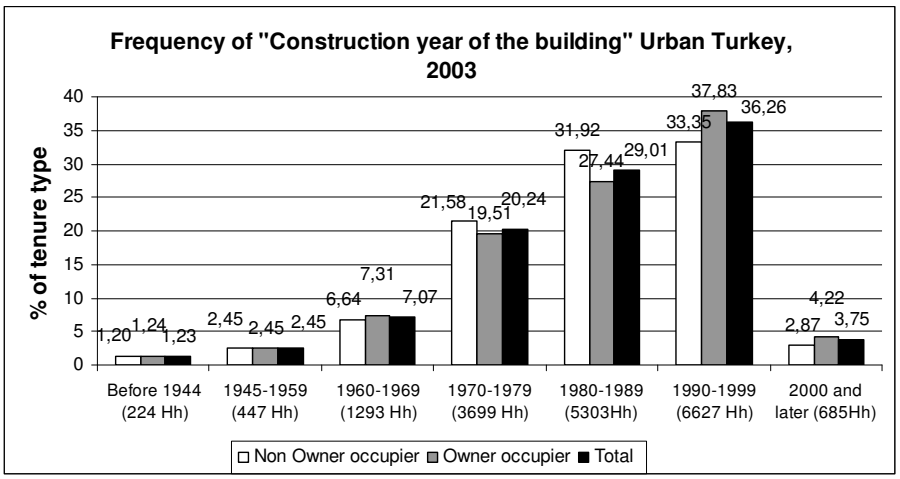
	Turkey (2000)	**The Netherlands (2002)**	**Mean (EU+ candidates)**
Running water	94.0	100	93.3
Lavatory	98	100	88.2
Bath/shower	96.3	100	88.7
Central heating	100	90	72.7
Average number of rooms	3.43 (2003 HBS)	4.26 (WBO, 2002)	3.6
Average floor area (m^2)	100.21 (2003 HBS)	122.47 (WBO, 2002)	76.5

Sources: Turkstat (2003), Norris and Shields (2004); WBO, (2002) and HBS (2003).

To compare the stock characteristics, the variables "construction year (age of the stock)", "number of rooms", "size of the dwelling" and "dwelling type" are used.

The Turkish housing stock is relatively new. Of the total housing stock, 81.10 % was constructed after 1970. This relatively new stock in Turkey can be attributed to Turkey's abstention from WWII, and thus housing demand was not a problem in 1950s when compared to those countries that were involved. Turkey's housing demand, on the other hand, increased significantly after the 1980s due to population increases and migration (Sarıoğlu et al, 2007).

Figure 5.18: Frequency of "Construction Year of the building", Urban Turkey, 2003.



Source: Processed from HBS, 2003. Number of households in parenthesis represents total number of households in that "Construction Year of the building category", disregarding tenure type.

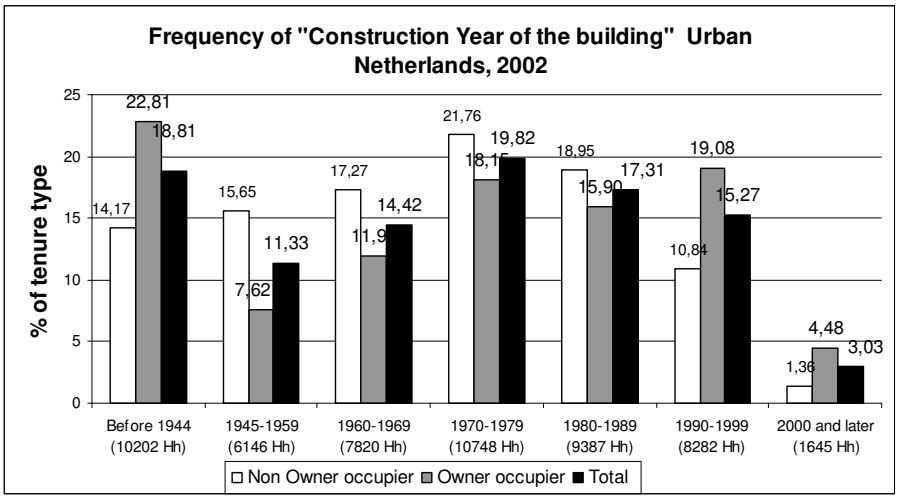
In Turkey, the average ages of owner occupied and non-owner occupied dwellings are slightly different. Of all owner occupiers, almost 70 % live in the newest three categories of buildings (built 1990 and later). Furthermore, for all periods of construction, owner-occupied dwellings have been prevalent, revealing the dominancy of OO in the whole stock. The ratio of OO was never less than 61 % for buildings constructed in each category. Only the buildings constructed in the 1980–1989 period have currently the highest ratio of non-owner occupiers (38.64 %). Recalling that private owners are also the owners of the rental sector in Turkey, this could mean that Hhs tend to live in newer buildings while renting out their older ones.

Related to the housing stock age, it should be noted that in Turkey the legislation for maintenance/rehabilitation of the buildings is poor, with no legal responsibility undertaken by either the state or the owners. The upkeep of a dwelling depends on the willingness of the Hhs and their ability to cooperate with other Hhs in building-level maintenance and rehabilitation. Therefore, especially if the occupier is a tenant, the dwelling quality is rarely maintained adequately. Equally, even when reinvestments are made, in most cases they are generally aimed at the

interior of the dwelling, not the building as a whole. Rather than rehabilitation, in urban areas it is generally demolition and rebuilding that is most common. Thus, the Turkish housing stock, which is already new due to the "late period housing demand", is further renewed through the "demolition/rebuilding processes" followed by administrations (Sarıoğlu, 2007a).

The Dutch housing stock is older than Turkish one; with dwellings built in the periods of "Before 1944" and "1970–1979" being the most frequent in the sample. Figure 5.19 reveals that 22.81 % of all owner occupiers live in the oldest dwellings, which were built before 1944. There are several explanations for this: firstly, the Netherlands urbanized earlier than Turkey and, due to better maintenance options available, the Dutch housing stock still contains a significant proportion (18.81 %) of older dwellings when compared to the Turkish housing stock. Secondly, recalling that extensive public investments in Dutch housing stock began *after* WWII, the majority of dwellings constructed before 1944 were not public rental stock.

Figure 5.19: Frequency of "Construction Year of the Building", Urban Netherlands, 2002.



Source: Processed from WBO, 2002. Number of households in parenthesis represents total number of households in that "Construction Year of the building category", disregarding tenure type.

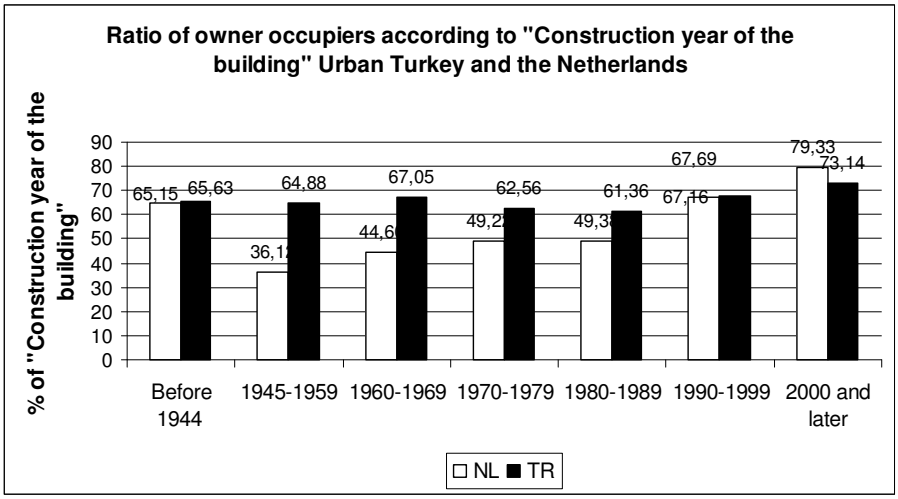
When excluding the group of dwellings constructed before 1944, 23.56 % of all Dutch owner occupiers live in the newest housing stock (constructed later than 1990), whereas this figure is only 12.20 % for non-owner occupiers. Thus, similar to Turkey, owner occupiers have a preference of living in newer dwellings in the Netherlands.

Some 55.40 % of the Dutch housing stock was constructed after 1970, corresponding to 89.20 % in Turkey. The primary reason for this broad difference is that Turkey was not involved in WWII, and thus housing demand was not a significant issue in the 1950s. In Turkey, the demand for housing rather occurred with the increases in population and migration after the 1980s (Sarıoğlu, et. al, 2007).

Around 63.80 % of the whole stock constructed between 1945 and 1959 were for non-owner occupiers – which could be argued to be for public rental – in the Netherlands. The dominance of construction for NOO continued up to the 1970s, yet after the 1980s relevant changes were observed in the development of the stock, with 80 % of the newly built dwellings earmarked for OO in 2000–2002. In Turkey, on the other hand, for all periods, owner-occupied dwellings have been dominant. Only in the 1980s did the ratio of non-owner occupied dwellings increase, yet still at a lower rate than those of owner-occupied units.

The prominence of the non-owner occupied sector after 1945 in the Netherlands is worthy of note, revealing the success of the efforts of the Dutch government in solving the housing need. In Turkey, in the absence of state intervention, the housing stock was developed disregarding tenure choice, and therefore for all groups OO has been dominant.

Figure 5.20: Ratio of Owner Occupiers According to "Construction Year of the Building", Turkey (2003), the Netherlands (2002).



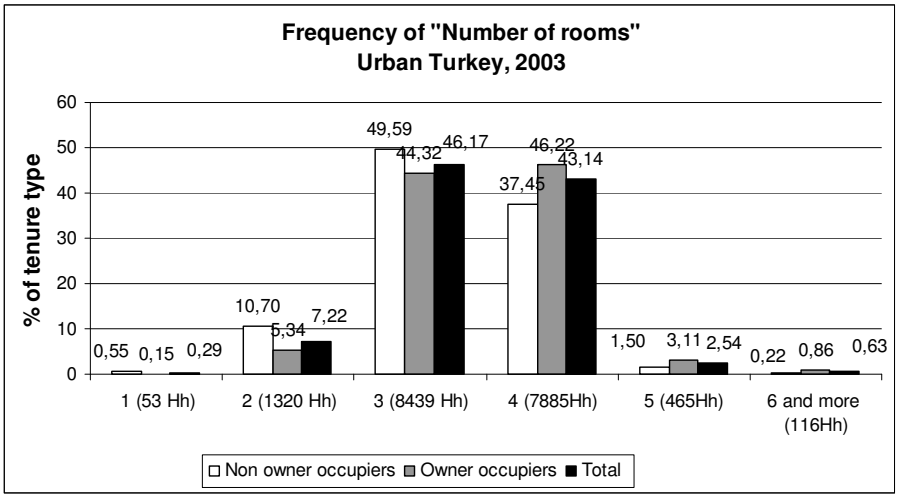
Source: Processed from WBO, 2002 and HBS, 2003. Since the values for non owner occupancy is symmetrical to that of owner occupiers, only owner occupiers for both countries are portrayed.

5.2.6. Number of Rooms

The composition of the stock was found to have a positive effect in previous studies (Megbolugbe and Linneman, 1993; Mulder and Wagner; 1998 etc.). If the market is mature in terms of tenure forms, for instance, or if the policies have led to a stagnant market prohibiting Hh mobility, then EHO is affected as well.

Since the Turkish stock has almost entirely been developed by private entrepreneurs, the frequencies for number of rooms reveal that the needs of the outlier Hh groups of very small or large sizes are not covered sufficiently, as the main concern of private entrepreneurs has been to meet the needs of the dominant groups rather than develop a differentiated stock. Thus, the result has been a primacy of three and four room dwellings in the stock, accounting for some 87 % of the total. The ratio of one-room dwellings is just 0.30 %.

Figure 5.21: Frequency of "Number of Rooms", Urban Turkey, 2003.



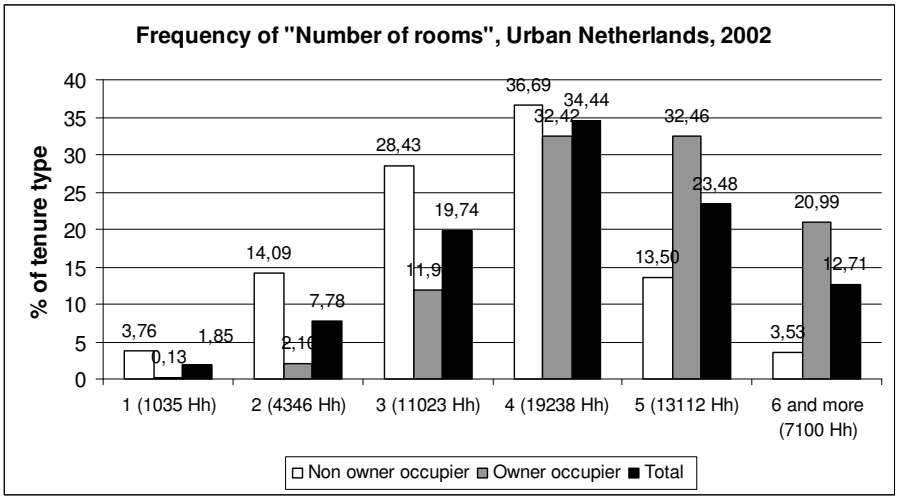
Source: Processed from HBS, 2003. Number of households in parenthesis represents total number of households in that "Number of rooms", disregarding tenure type.

Due to the biased composition of the stock in terms of number of rooms, of all owner occupiers, 90.50 % live in three or four room dwellings. However, when the frequency of owner occupiers in terms of the number of rooms is analyzed with reference to Figure 5.21, it can be concluded that as the number of rooms increases, the ratio of owner occupiers also increases.

In the Netherlands, the housing stock is more diversified when compared to Turkey. The most frequent option in the stock is for four-room dwellings, which is a relatively high figure when the average Hh size is taken into consideration. In the Netherlands, of all owner occupiers, 53.45 % live in dwellings with five or more rooms. Compared to non-owner occupiers, of which 19.03 % dwell in five or more room dwellings, the number of rooms proved to be a positive factor in EHO. Thus, OO brings an extra number of rooms on average, making the process co-related with Hh events such as childbirth, cohabiting etc. In other words, EHO is realized in the Netherlands when the Hh status alters and requires modifications to the housing status (in the form of more space, more rooms, more personalization options, availability of

garage) as well. The so-called status modifications in housing are strongly related with ownership, thus Hh make the move favouring ownership in most cases.

Figure 5.22: Frequency of "Number of Rooms", Urban Netherlands, 2002.



Source: Processed from WBO, 2002. Number of households in parenthesis represents total number of households in that "Number of rooms", disregarding tenure type.

In terms of the number of rooms, the two countries portray quite different pictures. Recalling the previous discussions and findings, the Turkish stock is less diversified than the Dutch housing stock.

Table 5.13: Average Number of Rooms for Owner Occupiers and Non-Owner Occupiers, Turkey (2003), the Netherlands (2002).

	Turkey	**The Netherlands**
Owner occupiers	3.50	4.73
Non Owner occupiers	3.29	3.57
Total	3.43	4.18

Source: Processed from WBO, 2002 and HBS, 2003.

The average number of rooms in Turkey is fewer than in the Netherlands, numbering 3.43 and 4.18, respectively. A comparison of the number of rooms with reference to tenure reveals that in the Netherlands the difference between owner occupied and non-owner

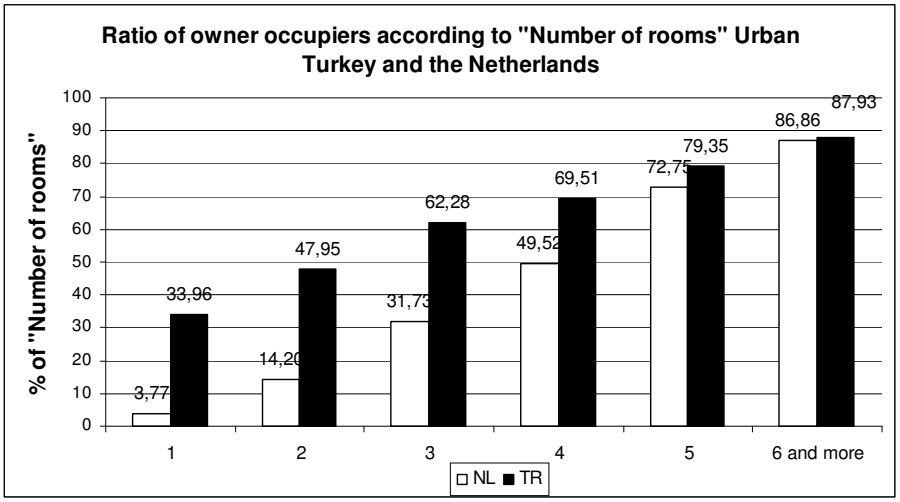
occupied dwellings is significant: non-owner occupied dwellings, on average, have 3.57 rooms, while owner occupied dwellings have 4.73 rooms. These figures are not considerably different from the Turkish stock; as there is a dominancy of three to four room dwellings for both tenures in Turkey.

Averages for owner occupied and non-owner occupied dwellings reveal that owner occupiers live in dwellings with more rooms, on average. However, the difference between the two categories may not be considered as creating a tenure discrepancy in Turkey, as the averages for both categories (3.29 and 3.50 for non-owner occupiers and owner occupiers respectively) are strongly influenced by the dominancy of three and four room dwellings in the stock.

The difference in the number of rooms between the owner occupied and rental sector dwellings may be an incentive for Hhs to become home owners in the Netherlands. Strangely enough, although this motive is smaller in Turkey, the ownership ratio is higher; 64.90 % in urban Turkey, compared to 53.50 % in the urban Netherlands. This is one of the primary cultural characteristics of the Turkish Hhs towards OO, as was described in Part 3.2

With regard to Figure 5.23, in Turkey it can be seen that in all one room dwellings, owner occupiers constitute 33.96 % of the total, while for dwellings of six rooms or more this ratio reaches 87.93 %. This demonstrates that although the stock is dominated by three and four room dwellings those with more rooms are occupied mostly by owners, which is a tendency that is also valid in the Netherlands. As the number of rooms increases, the ratio of OO also increases in both countries. However, in Turkey, the OO ratio surpasses NOO in dwellings with three or more rooms; whereas in the Netherlands, dwellings of five or more rooms constitute the turning point. This is also related with current frequencies as well, as the average number of rooms is surpassed, (3.43 in Turkey and 4.18 in the Netherlands), OO becomes the prevalent tenure.

Figure 5.23: Ratio of Owner Occupiers by "Number of Rooms", Turkey (2003), the Netherlands (2002).



Source: Processed from WBO, 2002 and HBS, 2003. Since the values for non owner occupancy is symmetrical to that of owner occupiers, only owner occupiers for both countries are portrayed.

Looking at the average Hh sizes (Table 5.14) another assumption can be made: while the average Hh size is higher in Turkey, the average number of rooms is smaller. This means that, on average, Hhs in Turkey are relatively overcrowded. Recalling the larger Hhs in Turkey, the biased composition of housing stock in terms of size and number of rooms would be expected to lead to an over-crowding of dwellings, since small and large Hhs may have to live in larger or smaller dwelling units, respectively. From a state perspective, this may mean an inefficient use of the housing stock and a waste of national resources; while from the Hh's perspective there may be a low level of residential satisfaction.
To demonstrate overcrowding, the ratio of "Hh size/Number of rooms" which can also be accepted as "persons per room" ratio, can be used as an indicator.

Table 5.14: : Number of Persons per Room*, Turkey, the Netherlands		
	Turkey	**The Netherlands**
Owner occupiers	1.51	0.606
Non owner occupiers	1.19	0.605
Total (Urban population)	1.16	0.607
Source: Sources: HBS, 2003 and WBO, 2002. ** This ratio is calculated by dividing average household size by average number of rooms for the three groups (owners, renters and the total) (Ave. Hh size/ Ave. number of rooms).*		

These figures support the finding that ownership does not necessarily bring extra space to Hhs in Turkey. Rather, since the average Hh size for owner occupiers is higher; ownership is associated with overcrowding. On the other side of the coin, as Balamir (1999) states, in Turkey, renters are not inferior in terms of their dwelling characteristics. In the Netherlands, both ownership and non-ownership provide similar spatial comforts in urban places. However, in the total populations it was found that OO is usually associated with "under-occupation or under-utilization" (Sarıoğlu, et. al, 2007).

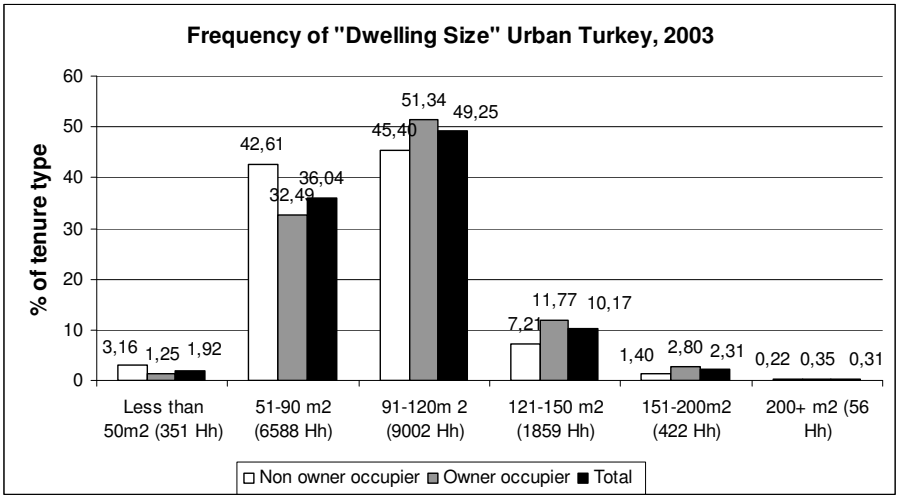
It would initially be anticipated that in the Dutch case, due to prevalence of small-sized Hhs, even the smaller dwellings of the stock would not necessarily lead to over crowding; And rather that in the owner-occupied stock, under utilization could be expected. When the Turkish figures are compared with the Dutch figures, both tenure types appear to be subject to "under-occupation/under-utilization" when compared to Turkey. However, the Dutch figures are very close to each other for the non-owner occupier, owner occupier and total urban population. This means that although OO brings an extra "number of rooms", it does not necessarily involve extra "personal space", contrary to the initial argument. Since the number of persons is the lowest for non-owner occupiers in the Netherlands, on average, Dutch NOO is associated with more personal space than OO.

5.2.7. Size of the Dwelling

Similar to the "number of rooms" variable, in terms of "size of the dwelling" medium-sized (51–120 m^2) dwellings are most frequent in the Turkish housing stock. The reason for this is again the private developers, who try to maximize profits by constructing for the largest groups in the population. As a result, both tenure categories dwell mostly

in those medium-sized dwellings. However, 76.26 % of all owner occupiers live in dwellings larger than 90 m^2, while for non-owner occupiers the ratio is smaller, at 54.23 %. In this respect, dwelling size can be accepted as affecting EHO in Turkey where non-owner occupiers live in relatively smaller dwellings on average.

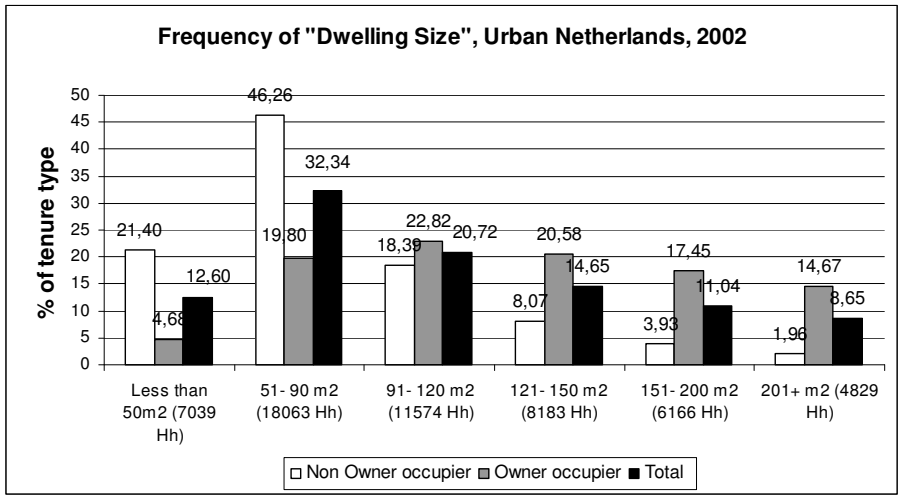
Figure 5.24: Frequency of "Dwelling Size", Urban Turkey, 2003.



Source: Processed from HBS, 2003. Number of households in parenthesis represents total number of households in that "Dwelling size", disregarding tenure type.

In the Dutch housing stock, 65.66 % of all dwellings are smaller than 90 m^2, 51–90 m^2 being the most prevalent (32.34 %). In the Netherlands, similar to Turkey, dwelling size influences EHO in a positive way. As Figure 5.24 demonstrates, while more than half of all owner occupiers (52.69 %) live in dwellings larger than 121 m^2, more than half of the non-owner occupiers (67.66 %) live in dwellings smaller than 90 m^2.

Figure 5.25: Frequency of "Dwelling Size", Urban Netherlands



Source: Processed from WBO, 2002. Number of households in parenthesis represents total number of households in that "Dwelling Size", disregarding tenure type.

Based on these figures, for the Netherlands it can be stated that larger dwellings are mostly associated with OO and smaller dwellings with NOO.

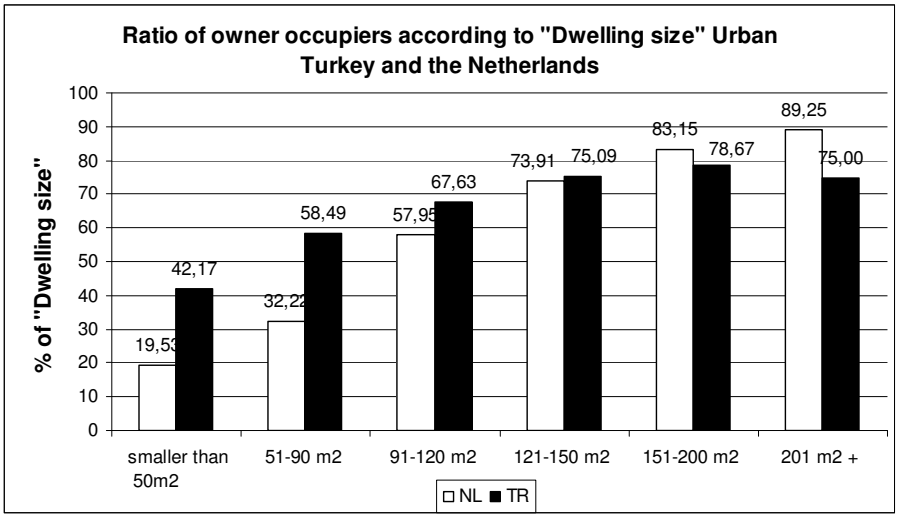
Table 5.15: Average Dwelling Size for Owner Occupiers and Non-Owner Occupiers, Turkey (2003), the Netherlands (2002).		
	Turkey	**The Netherlands**
Owner occupiers	103.37	146.87
Non Owner occupiers	96.57	85.45
Total	100.98	117.77
Source: Processed from WBO, 2002 and HBS, 2003.		

These figures reveal that the average dwelling size in Turkey is smaller than that of the Netherlands (Table 5.15) in the case of both owned dwellings and the total stock. However, a comparison of non-owner occupied dwellings in the two countries indicates that the Turkish rental sector, which has been privately developed, contains, on average, larger units than the Dutch rented stock. Secondly, Table 5.15 demonstrates that although in Turkey the average size of owned dwellings is slightly higher than that of non-owner occupiers; tenure type is not a key factor in the size of the dwelling. The difference between owner-occupied and

rented dwellings is 6.80 m^2 in Turkey, which is almost 1/10th of the difference in the Netherlands (61.42 m^2). The so called "space comfort" of OO is valid for Dutch housing stock, similar to the number of rooms.

The prevalence of OO in Turkey can be comprehended from Figure 5.26, which shows that aside from the smallest dwelling type, for all other sizes OO is dominant in Turkey, and that Turkish stock has been developed disregarding tenure. In the Netherlands, a significantly large proportion of the smaller dwellings in the housing stock are taken by non-owner occupiers, accounting for 67.70 % of 51–90 m^2 dwellings and 80.20 % of those smaller than 50 m^2. Similarly, larger units are mostly owner occupied, and as the size increases, the home ownership rate also increases. The largest increase in the ownership ratio occurs in the shift from 51–90 m^2 to 91–120 m^2 for the Dutch case – when the average dwelling size is surpassed. This is not the case for Turkey, where in the shift from the smallest group (less than 50 m^2) to the next, the OO ratio increases the most, by 16.32 %.

Figure 5.26: Ratio of Owner Occupiers According to "Dwelling Size", Turkey (2003), the Netherlands (2002).



Source: Processed from WBO, 2002 and HBS, 2003. Since the values for non owner occupancy is symmetrical to that of owner occupiers, only owner occupiers for both countries are portrayed.

The above discussions indicate that ownership provides greater control to its owner, and thus home owners make efforts to maintain their dwellings and surroundings more than renters. This is true especially when the rented stock is privately owned, which is the case in Turkey. Once a dwelling is rented in Turkey, then its maintenance may be ignored by both the tenant and the landlord, since legislation leaves the maintenance responsibility in the will of the parties, providing no legal arrangement for the preservation of stock quality. This is not the case in the Netherlands, where there is state control in the maintenance of dwellings. Other than the renter and the owner, there are also housing associations that take charge of preserving the quality of the stock under their responsibility (Sarıoğlu et. al. 2007).

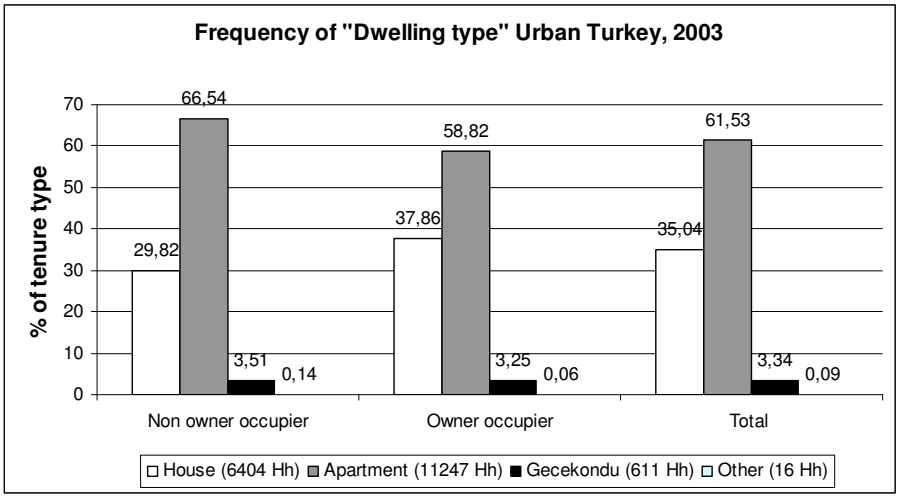
The supply-imposed housing provision in Turkey has led to a biased composition of stock in terms of size and number of rooms, and as such the housing choices of Turkish Hhs are relatively limited (Sarıoğlu, 2007). The stock and Hh characteristics do not match the needs of each other, revealing the absence of state and/or local intervention in housing. As a result, small and large Hhs tend to live in under-utilized or overcrowded dwellings in Turkey (Sarıoğlu et al 2007).

5.2.8. Dwelling Type

Another variable used to describe the position of OO is the "type of building". Turkish housing stock comprises houses and apartment buildings (97.39 %), with apartments accounting for 61.53 % of the entire stock. In rural areas, it is houses (detached or attached) that are the prevailing residential dwelling type, being more suited to rural life; while apartment-type dwellings are dominant in urban areas (61.53 %). As a result of this dominance in urban areas[13], 58.82 % of all owner occupiers live in apartment units.

[13] The dominance of apartments in urban Turkey was discussed in Chapter 3. The majority of building construction has been the construction of apartment blocks in 1955–1995 (Balamir, 2002: p. 67).

Figure 5.27: Frequency of "Dwelling Type" Urban Turkey, 2003.



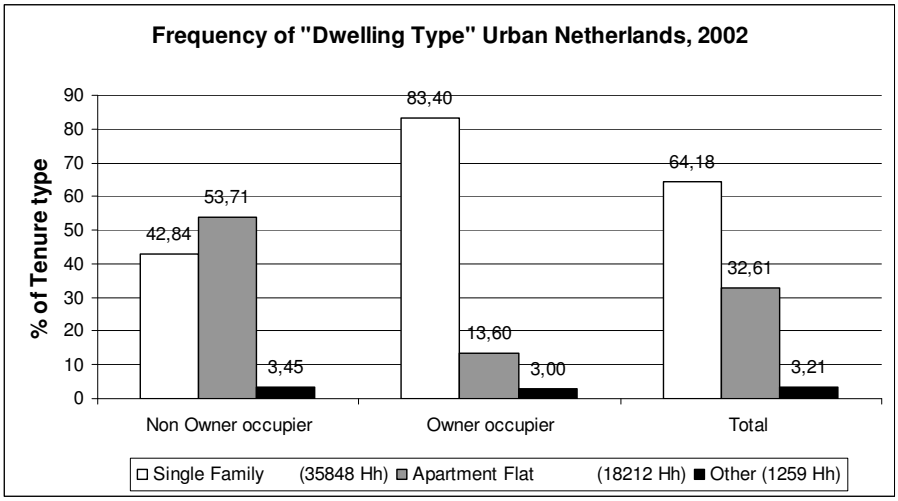
Source: Processed from HBS, 2003. Number of households in parenthesis represents total number of households in that "Dwelling Type", disregarding tenure type.

With reference to Figure 5.27, the dominancy of OO for each dwelling type can easily be comprehended, except for the "other" group, which is defined as dwellings other than houses, apartments and gecekondus, such as prefabricated houses, simple barracks etc. in the guide of the HBS.

As a result of the dominancy of apartment-type residential buildings, dwelling type is not considered as a motive for EHO in the Turkish case.

For the Netherlands, single family units are the most frequent (64.18 %) dwelling type, followed by apartment flats (32.61 %). The tenure type and dwelling type can be said to be co-related, with 83.40 % of all owner occupiers living in single family units; and 53.71 % of non-owner occupiers in apartment flats. This finding confirms previous EHO literature, where ownership and large-single family units are argued to be associated. Only 13.60 % of owner occupiers live apartments in the Netherlands, which, not surprisingly, is lower when compared to Turkey where apartment-type housing units are prevalent.

Figure 5.28: Frequency of "Dwelling type", Urban Netherlands, 2002.



Source: Processed from WBO, 2002. Number of households in parenthesis represents total number of households in that "Dwelling type", disregarding tenure type.

In terms of housing stock attributes, the dwelling size and the number of rooms are found to be positively associated with EHO in Turkey, whereas the type and age of the dwelling appears to have no clear influence. On the other hand, in the Netherlands the dwelling type and the size and number of rooms are all positively linked to EHO.

To conclude this comparison, it can be stated that the effect of the different housing policies implemented in the housing stocks of two countries is worthy of note. With the help of state intervention, the Dutch housing stock is more diversified, having produced its housing stock according to the needs of the Hhs. On the other hand, developed through market mechanisms; the Turkish stock mostly accommodates the average Hh and ignores the demands of outlier groups. Furthermore, the positions of NOO and OO in the two countries are notably different. Dutch NOO is associated with less rooms, smaller units and smaller Hhs; while in Turkey, the physical differences between non-owner occupied and owner occupied dwellings are found not to be that

acute, and rather the housing stock is not sufficiently differentiated to reveal a tenure discrepancy.

Table 5.16: Average Figures for Owner Occupiers and Non-Owner Occupiers in Urban Turkey (2003), Urban Netherlands (2002)

		Household Characteristics			Housing Stock characteristics	
	Tenure Type	HHh age	HHh Income*	Hh Size	Number of rooms	Dwelling size
Turkey	**Non-owner occupier**	39,50	6048,9	3,93	3,29	96,57
	Owner occupier	49,26	5764,3	4,03	3,50	103,37
	Total	45,83	5866,2	4,00	3,43	100,98
The Netherlands	**Non-owner occupier**	46,69	19025.8	2,16	3,57	85,45
	Owner occupier	42,97	29108.2	2,87	4,73	146,87
	Total	44,70	24419	2,54	4,18	117,77

Source: Processed from HBS 2003, WBO, 2002.
** In annual format. In MTL for Turkey, in EURO for the Netherlands.*

Owner occupiers in urban Turkey, on average, live in larger dwellings with more rooms than non-owner occupiers; and their HHhs are older and they have larger Hh sizes, however, they earn less in terms of HHh income. Owner occupiers in the urban Netherlands, on average, also live in larger dwellings with more rooms, and also have larger Hh sizes. However, different from the Turkish case, their HHhs are younger and earn more when compared to non-owner occupiers.

5.3. SUMMARY OF RESEARCH FINDINGS (NATIONAL LEVEL)

Turkey and the Netherlands have followed different housing policies since the end of WWII that, whether deliberately or not, assigned different relevancies to tenures of OO and renting, and the effects of these two diverse paths are worthy of note. With the help of state intervention, the Dutch housing stock is more diversified and has been developed in accordance with the needs of the Hhs. Alternatively, the Turkish stock, developed through market mechanisms, mostly considers the average Hh, and ignores the requirements of outlier groups.

Furthermore, the positions of NOO and OO in the two countries show a marked difference. In the Netherlands, NOO is associated with fewer rooms, smaller units and smaller Hhs; while in Turkey the physical differences between owner occupied and non-owner occupied dwellings are found not to be that different. Contrarily, the Turkish housing stock is not sufficiently differentiated, and as such there is little discrepancy between tenure types.

In Turkey, the stock quality can be considered as good in terms of its quantitative features, however it still far from answers the housing needs of Hhs (Sarıoğlu, 2007a). In the absence of strong government intervention, private developers, in pursuit of higher profits, answer the needs only of the average Hh type. Owner occupiers, on average, live in larger units with more rooms and in newer buildings. However, the discrepancies are not found to be sharp, revealing weak motives for EHO in Turkey. The comparison reveals that when the rental sector is privately developed, as in the case of Turkey, the quality and physical disparities between owning and renting may be less. However, private renting in the absence of public renting also meant for Turkey a "non-differentiated stock" that does not sufficiently meet the needs of outlier groups (Sarıoğlu et al., 2007).

The Turkish housing stock does not have a public rental sector, and thus the comparison is actually one of private rental and OO in Turkey. Contrarily, Dutch social housing policies have generated a large public rented sector, and consequently the differences between owner occupied and rented dwellings in the Netherlands are larger, with the rented dwellings being significantly smaller and with fewer rooms. In Turkey, since the stock is primarily developed by private developers rather than administrations, the physical differences between renting and owning do not vary as much as they do in the Netherlands.

In policy terms, the results of the comparison also demonstrate that strict government intervention in housing, as in the case of the Netherlands, allows tenure choice to be made in advance by the central authorities rather than by the Hhs themselves. It is argued that by associating a particular tenure type, say home ownership, with particular Hh characteristics, say higher income groups, the government itself

creates the discrepancy between the tenure categories. Furthermore, recalling the land scarcity problem as well as the Netherlands' status as a welfare country in which social aspects of housing have always been regarded as significant, the current under-utilization[14] observed in the dwelling units reveals that housing is now considered more of a consumption good in the Netherlands.

In the absence of strong government intervention in Turkey, private developers, pursuing higher profits, have addressed the housing need by building according to the *average* Hh type, so that the demands of one type of Hhs with similar attributes could be attracted, and the majority of the population would be possible buyers. On the other side, there have been low-income Hhs who found their own solution to their housing problems in unauthorized housing, known as *gecekondus* (literally, *built overnight*). Although such properties tend to emerge in areas that lack basic infrastructure, and eventually turned into highly speculative processes in time, gecekondus have all but prevented *homelessness* in Turkey, even in periods of high population increases and rural to urban migration.

A comparison of non-owner occupiers and owner occupiers also supports the view that in Turkey owner and non-owner occupier Hhs do not demonstrate major differences in terms of "Hh size" and "age of the HHh". For all groups (except the group of HHh aged 18–24) the tenure type does not vary considerably across the HHh age categories. In the Netherlands, specific groups such as + 65 and one person Hhs are mostly non-owner occupiers. The differences between renting and owning are found to be larger in the Netherlands primarily due to the existence of a public rental sector. With reference to the analysis, it can be stated that in terms of Hh features, the age of the HHh is found to be

[14] The term under utilization refers to the individual inappropriateness of Hhs and dwellings; for instance, when a two-person household lives in a six room dwelling unit. This is not related with the vacancy rate in the housing stock and the number of households trying to access housing.

a contributing factor in EHO in Turkey, as is Hh size. The effect of "existence of children" is found to have no direct affect on the process of becoming a home owner.

Among all the Hh attributes employed, the "annual income of the HHh" yielded the most interesting results for the Turkish case. The negative effect of income in becoming a home owner can be explained by the cultural significance of OO for Turkish Hhs. In Turkey, as mentioned, the ratio of home ownership has been high even in the absence of a finance system. Therefore, the high rate of ownership in the low income group can be explained by the fact that OO is considered a secure tenure type, simultaneously decreasing future ambiguities and solving their problems of housing. Higher income groups, having fewer future ambiguities, consider OO mostly as a housing issue, and hence do not rush into home ownership, but rather wait for the right time and right dwelling type. In this sense, home ownership is not such a crucial for the higher income groups, and reveals one of the major problems in Turkish housing: captive home ownership.

With reference to the analysis, it can be stated that in terms of Hh features, the Hh type is found to be a major factor in becoming a home owner in the Netherlands. Additionally, being single is mostly associated with NOO, whereas being part of a couple/couple with children is mostly co-related with OO. This complies with previous literature on EHO, which denotes that the level of commitment is highly associated with tenure choice, and generally speaking favours OO. EHO is linked to Hh events more in the Netherlands than it is in Turkey.

The age of the HHh is another factor affecting EHO in the Netherlands. Owner occupancy increases in the "mid-ages", when life cycle events such as co-habitation, having children, marriage etc. most often occur. On the other hand, NOO is more of a tenure category associated with younger and older householders in the Netherlands; and there is a different result in terms of the age of HHh: the average age of non-owner occupiers is higher than owners, which means that Hhs stay in the rental sector even later in life, or even never enter OO at all. This leads us to state that although the order of housing tenure career "first renter then owner" is an expected pattern, it is not universal, and certainly not

valid for Dutch Hhs (Sarıoğlu, et al., 2007), leading to a captive renting problem for the Netherlands.

Hh size comparisons of owner occupier and non-owner occupier Hhs in the Netherlands reveal similar relationships to the Turkish case. Below the national average Hh size of 2.54, NOO is prevalent in the Netherlands; income, in parallel with existing literature, positively influences EHO; while the number of rooms, dwelling type and size are all positively linked to EHO. This leads to a higher tenure discrepancy, since OO is mostly correlated with larger dwellings, a larger number of rooms and single-person family units.

5.4. REGRESSION ANALYSIS FOR TURKEY AND THE NETHERLANDS

For the national level comparison, in accordance with Chapter 4-Data and Methodology- a binary logistic regression is carried. For the Netherlands, previsously non owner occupier Hhs are drawn out from the main data set. Hence the regression is carried out on previously NOO Hhs who had moved within 2 years either to OO or stayed in NOO. Yet for Turkey national level, the information on previous tenure type, dwelling and household characteristics are not avaliable. Regression is carried out by employing the whole data for Turkey. Dutch national level regression is therefore argued to provide more precise information than the Turkish one.

Hh size, HHh age, Hh Type, HHh income, Number of rooms, Dwelling size and building year of the dwelling are employed as independent variables of the regression. Generally speaking all variables revealed positive relations for EHO in Turkey being HHh age the most significant one. This confirms the results of the descriptive analysis. Turkish Hhs enter OO as the age incareases, consider EHO like an inevitable process. Other factors are found as less significant. In the Netherlands, income and dwelling size are the most significant factors which supports the discussion in the national level comparison as well. Dutch Hhs enter mostly OO when income or Hh events become favorable.

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Table 5.17: Logistic regression model for Netherlands (2002) and Turkey (2003)

	Variables in the Equation Turkey 2003				**Variables in the Equation, the Netherlands 2002**		
	B	Sig.	Exp(B)		B	Sig.	Exp(B)
HHh_age (Reference group: Younger than 20)				**HHh_age (Reference group: Younger than 20)**			
21-30	-,263		,768	21-30	-,227		,797
31-40	,390		1,477	31-40	-,235		,791
41-50	1,173	***	3,231	41-50	-,681	**	,506
51-60	1,797	***	6,031	51-60	-1,156	***	,315
61+	2,391	***	10,926	61+	-2,091	***	,124
Hh size	,083	***	1,087	**Hh Size**	-,245	***	,783
Hh_type (Reference group: Not Family)				**Hh_type (Reference group: Not Family)**			
Single person Hh	,955	***	2,599	Single person Hh	-,391		,676
Single parent Hh	,861	***	2,365	Single parent Hh	-1,101	***	,333
Couple	1,002	***	2,724	Couple	-,266		,766

Couple with child(eren)	,666	***	1,947	Couple with child(eren)	-,072		,930
3rd generation Hhs	1,013	***	2,753				
				Income (Reference group: beneden sociaal min.)			
				beneden minimum loon	-,988	***	,372
				beneden modaal	,400	**	1,492
				tot 1,5 keer modaal	1,357	***	3,885
				tot 2 keer modaal	1,792	***	6,002
				tot 3 keer modaal	2,310	***	10,073
				> 3 keer modaal	2,484	***	11,985
Number of rooms	,214	***	1,239	**Number of rooms**	,276	***	1,318
Dwelling_size (Reference group: Smaller than 50m2)				**Dwelling_size (Reference group: Smaller than 50m2)**			
51-100 m2	,646	***	1,909	51-100 m2	,833	***	2,300
101-150 m2	,834	***	2,303	101-150 m2	1,497	***	4,466
151-200 m2	,820	***	2,270	151-200 m2	1,853	***	6,379
201+	,228		1,257	201+	2,087	***	8,062
Building year of the dwelling (reference group: before 1945)				**Building year of the dwelling (reference group: before 1945)**			
1945-1959	,064		1,066	1945-1959	-,841	***	,431

1960-1969	,161		1,174	1960-1969	-,480	***	,619
1970-1979	,110		1,117	1970-1979	-,827	***	,437
1980-1989	,185		1,204	1980-1989	-,616	***	,540
1990-1999	,601	***	1,824	1990-1999	-,016		,984
2000 and later	,952	***	2,590	2000 en later	,707	***	2,028
Constant	-3,228	***	,040	**Constant**	-2,209	***	,110
Turkey Initial -2 Log likelihood: 23694 Model -2 Log likelihood: 20603 Improvement: 3091 Nagelkere R^2= 0.214 N= 18278 *= p<0.10 ** = p<0.05 *** = p<0.01				The Netherlands Initial -2 Log likelihood: 8769 Model -2 Log likelihood: 5930 Improvement: 2839 Nagelkere R^2= 0.477 N= 6539 *= p<0.10 ** = p<0.05 *** = p<0.01			

The models for both countries improve the percentage accuracy in classification, in the Netherlands with a higher value (78.2, compared to 71.6 in Turkey). This finding may idemonstrates that Turkish Hhs act more unpredictably than Dutch Hhs, which may be linked to the strong government regulation in the Netherlands, which promotes particular tenure types according to particular Hh attributes (such as promoting renting for the young, while promoting OO for large Hhs and families). Similarly, from the higher coefficient values found in the Dutch case, it would be safe to say that the factors mentioned have more influence on EHO in the Netherlands. Supporting the findings of Section 5.2 and the arguments of Section 5.3 on the high tenure discrepancy between OO and NOO, the regression model differentiates between NOO and OO better in the Netherlands than in Turkey.

As a whole, the coefficients found in the regression model support the initial discussions and findings of Chapter 3 and Section 5.3. In the Turkish logistic regression, the parameters are relatively smaller than the Dutch ones, indicating that Turkish EHO processes cannot be easily related strictly to Hh and housing circumstances since the home ownership rates for different age groups, Hh sizes and income groups are already high. However, such a differentiation is very clear for the Netherlands: Hhs consider OO mostly at times of income increases and and when additional space is required due to Hh events.

HHh age was demonstrated in section 5.2.1 as being a significant factor in EHO in Turkey, and is again found to have a significant positive effect in the regression model. The relation is found to be more effective for older Hhs when compared to younger Hhs. In the Netherlands due to high percentage of non owner occupiers in the elder ages, the effect of HHh age in EHO is found as negative but with strong impacts. This confirms with the findings of descriptive study (Figure 5.5). It is less likely that older than 60 years old Hhs made EHO moves when compared to younger than 20 Hhs.

In Turkey, **Hh size** has a positive but a small effect. Hh size was argued to positively influence EHO in the Netherlands according to the frequency distributions in Section 5.2.2. However, the results of the regression reveal an opposite trend – that Hh size has a negative magnitude in EHO. This may be associated with the fact that Hh size, has a positive effect, especially for Hh size increases of four or more but not for larger Hhs, as the home ownership rate steadily decreases as the Hh size goes above four. In ROA as well Hh size is found with a negative magnitude and both can be ascribed to the fact that increase in Hh size does not necessarily bring commitment and ambition for OO (See Section 5.5). Rather than that higher Hh size may imply non family Hh type for instance in the Netherlands. This could not be necessarily valid for the Turkish Hhs who are characterized with larger Hh sizes and 3rd generation Hhs. In such Hhs, increase in the size of the Hh may bring OO desire. This is why the effect is positive for the Turkish case.

In the Netherlands, **income** is found to be the most significant predictor in determining the tenure type of a Hh. Compared with the lowest income gorup, it is almost 11 times more likely that the move has been towards EHO. The highest the income it is more probable that the Hh has moved to OO. This result confirms descriptive analysis and also valid for ROA. Income is not included in the regression for Turkey since for more than half of the data the information is missing.

Although 60.63% of the couples and 72.1 %couples with children are OO in urban Netherlands (Figure 5.12), the results of the regression did not reveal a linear relation regarding **Hh type** and EHO. When compared with "Not family Hhs" it is less likely that "Single person

Hhs", "Single parent Hhs", "Couples" and "Couples with children" had become OO in the last two years. This could be because the move had already been done to OO long before 2 years for such Hh types. A similar result is found also for ROA and a further study is carried seperately for the issue in Section 5.5 for ROA. In Turkey, the effect of Hh type is positive which means when compared with non family Hhs, "Single person Hhs", "Single Parent Hhs", "Couples", "Couples with children" and "3rd generation Hhs" are most likely to be OO. The relation is not linear though, for couples and 3rd generation Hhs the effect is higher.

In addition to the Hh characteristics, spatial factors are significant in EHO. Both in the Netherlands and in Turkey, **number of rooms** is found as a significant factor with a positive magnitude in EHO. Similarly, both for Turkey and the Netherlands **dwelling size** has a positive impact in EHO. In the Netherlands the effect is stronger: Compared with "smaller than $50m^2$", it is more likely that a Hh would have entered OO if the move had been towards a larger house. The effect gets stronger as the size of the dwelling increases. Recalling the discussions in Section 3.8.2., spatial discomfort was argued to be a primary motive for the Netherlands than it is in Turkey. The results of the regression support this positive relation both number of rooms and dwelling size in EHO. Yet, due to the lower tenure discrepancy in terms of dwelling size and the number of rooms in the Turkish context (Section 5.2.6), the parameters are lower than the Dutch one revealing weaker relations to EHO. In the Netherlands, as anticipated previously, number of rooms is found to be a significant factor in predicting the tenure type of a Hh.

The parameters for **building year of the dwelling** reveal that younger buildings are more OO than older dwelling units in Turkey. For dwellings built between "1990-1999" and "2000 and later" the effect is also statistically significant. A similar result is also valid for the Netherlands: it is more probable that moves to dwelling units built in 1990-1999 and 2000 and later are mostly for EHO than moves to dwellings built before 1945.

EHO process is influenced not only by the current attributes of the housing stock and the current/future demographic attributes of the population (such as the prevalence of small-sized Dutch Hhs vs. larger Turkish Hhs), but also the policies implemented (such as the Netherlands' emphasis on public renting vs. Turkey's choice of free market forces and home ownership). As a result, OO and NOO are considerably different in the two countries, which helps in the establishment of links with factors that potentially affect EHO, and reveals that EHO is a multi-dimensional process.

The relations and possible repercussions of these factors provide planners with the power to manipulate housing systems. Although factors affecting EHO may be similar for any country, their effects may be wide-ranging as the regression revelaed.

5.5. CASE STUDY (ANKARA VS. ROA)

In the second phase of the empirical study, Ankara is compared with the City Region of Amsterdam (Stadsregio Amsterdam-Regionaal Orgaan Amsterdam – ROA), as was discussed in section 4.4. Prior to the analysis, however, key figures related to the housing and Hh features of Ankara and ROA are given.

Table 5.18: Key figures for Ankara, Turkey; and ROA, the Netherlands

	Metropolitan Ankara	**Turkey**	**ROA**	**The Netherlands**
Total Population	3,763,591 (2007)*	70.586.256 (2007)*	1,364,357 (Stadsregio) (Table 4.2) (2008) 1,547,627 (Together with Almere)	15,863,950 (Table 3.1)
Number of Hhs	841, 488 (2000)**	15,070,093 total pop(2000) ** (Table 3.1)	648,540 (Stadsregio) 717,300**** (2007)	6.801.000 (Table 3.4)
Ratio of single Hhs	6.3 % (2000)**	5.3 % (2000)**	33 % (WoOn, 2006)	28 % (WoOn 2006)

Ave. Hh Size	3.82 (2000)**	4.00 (HBS 2003)	2.40 (WoOn, 2006)	2.54 (2002 WBO)
Number of Dwellings	1,128,625 (2000)***	12,214,000 (2006) (Figure 3.4)	648,540 (2008) 719,532****	7,043,200 (2007) (Table 3.7)
Owner occupation	56 % (2000)**	71.95 % (Table 3.5)	39.6 % (WoOn, 2006)	55 % (Table 3.7)
Ratio of long lease (erfpacht) (%)	No long lease in residential units	No long lease in residential units	22.7 (WoOn, 2006)	7.8 (WoOn, 2006)
Source[15]: See footnote.In WoOn, ROA already covers Almere.				

As can be seen in Table 5.18, ROA differs from the Netherlands as a whole, especially in terms of the tenure structure and dominant Hh type: the home ownership rate is smaller and the ratio of single Hhs is higher. In terms of the housing stock as well, as previously discussed, in the Randstad area and especially in Amsterdam, the eligibility rules for social rented dwellings are extremely stringent and most likely affect mobility

[15] *Acquired from Address Based Population Registration System 2007 Population Census Results, the figure covers only 8 municipalities and only urban populations.2007 Address Based Population Registration System representing population of whole Ankara Metropolitan Area. The population that Ankara survey covers is 3.01 million.
** 2000 population census
*** Ankara figures are from 2000 building census
****http://www.os.amsterdam.nl/tabel/10882/,http://www.os.amsterdam.nl/tabel/10526/, http://www.os.amsterdam.nl/tabel/10562/and http://statline.cbs.nl/StatWeb/publication/?DM=SLEN&PA=7413eng&D1=0-3,8,15,21-22,46&D2=0,118&D3=12,18-20&LA=EN&HDR=T&STB=G2,G1&VW=T
http://statline.cbs.nl/StatWeb/publication/?DM=SLEN&PA=37259eng&D1=0-1,3,6,8-11,14-17,19,22-24&D2=0&D3=122&D4=l&LA=EN&HDR=T,G3&STB=G1,G2&VW=T
http://statline.cbs.nl/StatWeb/publication/?DM=SLEN&PA=37259ENG&D1=0&D2=0&D3=105,122,136,138,178,298,340,448,609,825,847,874,1050,1128,1191,1204,1210&D4=0,10,20,30,40,47-48&LA=EN&HDR=T&STB=G1,G2,G3&VW=T

rates (Van der Vlist, et al. 2002). This area is also characterized with long lease opportunities – *erfpacht* – in residential units more than many of the other regions in the Netherlands, with 22.70 % of all owner occupiers have *erfpacht* in ground (either sold [*uitgegeven*] or sold off *[afgekocht*] [WoON, 2006]).

Table: 5.19: Frequency and Percentage of "Long lease" (*erfpacht*) in ROA (2006)		
	Frequency	**Valid percentage**
in erfpacht sold (uitgegeven)	119	7.1
erfpacht bought off (afgekocht)	260	15.6
woning staat op eigen grond	1290	77.3
Grand Total	1669	100.0
Source: Processed from WoOn, 2006.		

Within ROA, Amsterdam especially is significant in terms of the popularity of long leases (*erfpacht)*, accounting for 73.87 % of the ROA total. Furthermore, of all owner occupiers in Amsterdam, only 34.60 % own the land on which the dwelling stands. Some 21.5 % and 43.6 % of all owner occupiers have long lease in ground sold (*uitgegeven*) or bought off (*afgekocht*), respectively[16] (WoON, 2006).

Case study of ROA-Ankara goes on with binary logistic regression. Following that social meaning of OO, triggers in EHO and changes observed in Hh and housing characteristics in ROA and Ankara are provided.

5.5.1. Logistic regression For Ankara and ROA

A regression analysis is carried out to evaluate the factors affecting the likelihood of Hhs in becoming owner occupiers. As discussed in Chapter 4, the method to be employed is a binary logistic regression. From the

[16] See A.2.2.2. for the ratio of *erfpacht* in the other municipalities of ROA.

original data sets (Ankara 2008, WOON 2006), previosuly NOO Hhs are selected. Logistic regression is carried out only for this sub-group which consists of 474 Hhs for ROA and 978 Hhs for Ankara. Since the data provided is based on Hhs, the dependent variable represents the mode of tenure of a particular Hh. The dependent variable is defined and recoded as: 1= OO, 0 = NOO, where NOO covers all modes other than OO. As a sub grouping has been made to cover only the previously non owner occupier Hhs, dependent variable refers to 1= previously NOO but currently OO Hhs and 0= previously NOO and currently NOO Hhs.

For Ankara, numerous models had been run, and yet only with small number of variables and brought relatively significant results. This could be attributed firstly to the problems about Ankara data set (like the existence of large missing cases for numerous variables), and secondly to the ambigutous socio-economic environment in Turkey which makes it difficult to model EHO.

In addition to Hh characteristics like Hh size, Hh income etc., spatial attributes of dwelling were also included in the regression model. For ROA, number of rooms, dwelling size and building year of the dwelling were included. For Ankara, dwelling size was not included in the model due to its high corelation with number of rooms. Building year of the dwelling was also not retained in the model as the age groups of the buildings are only refer to 1970 and built afterwards. Regarding spatial factors, the only variable is number of rooms for the regression in Ankara. For the aim of showing if EHO brings more rooms, larger dwelling size and younger dwelling units, three synthetic variables were originally meant to be employed in the regression for Ankara and ROA. Yet, the effects were not significant and have strong multicollinearity among independent variables. Therefore they are not retained in the regression but the information is employed seperately in Section 5.5.2 for Ankara- ROA comparison.

Roughly speaking the strongest factors are found as HHh age and number of rooms for Ankara, and Income and Dwelling size for ROA. This finding confirms the descriptive analysis in national levels.

Table 5. 20. Logistic regression model for ROA (2006) and Ankara (2008)							
	Variables in the Equation, ROA 2006				**Variables in the Equation, Ankara 2008**		
	B	Sig.	Exp(B)		B	Sig.	Exp(B)
HHh_age (Reference group: Younger than 20)				**HHh age**	,067	***	1,070
21-30	-,793		,452				
31-40	-1,051		,349				
41-50	-1,410		,244				
51-60	-1,363		,256				
61+	-3,277	**	,038				
Hh size	-,342		,710	**Hh Size**	-,093	p=0.102	,911
Number of rooms	,204		1,226	**Number of rooms**	,254	**	1,289
Income (Reference group: beneden sociaal min.)				**HHh Income (Reference group: Less than 1000 TL)**			
beneden minimum loon	-,071		,931	1000-2000 TL	,578		1,782
beneden modaal	-,212		,809	2000-3000 TL	,397		1,487
tot 1,5 keer modaal	1,136		3,114	3000-5000 TL	,428		1,535
tot 2 keer modaal	1,880	**	6,553	5000-10000 TL	,010		1,010
tot 3 keer modaal	2,904	***	18,247	More than 10000 TL	-,167		,846
> 3 keer modaal	2,307	**	10,043				
Dwelling_size (Reference group: Smaller than 50m2)							
51-100 m2	1,399	***	4,053				
101-150 m2	2,617	***	13,699				
151-200 m2	2,276	***	9,741				

201+	4,418	***	82,900				
Hh_type (Reference group: Not Family)							
Single person Hh	-,585		,557				
Single parent Hh	-1,551	*	,212				
Couple	-,610		,544				
Couple with child(eren)	-,267		,766				
Building year of the dwelling (reference group: before 1945)							
1945-1959	-1,225	**	,294				
1960-1969	,046		1,047				
1970-1979	-,218		,804				
1980-1989	-1,419	***	,242				
1990-1999	-,566		,568				
2000 en later	-,130		,878				
Constant	-1,499		,223	**Constant**	-3,511	***	,030
ROA Initial -2 Log likelihood: 587 Model -2 Log likelihood: 380 Improvement: 207 Nagelkere R^2= 0.496 N= 474				Ankara Initial -2 Log likelihood: 1325 Model -2 Log likelihood: 1160 Improvement: 165 Nagelkere R^2= 0.209 N= 978			

Generally speaking, regression model for Ankara could succesfully predict 66.6 % of the moves to EHO. In ROA it was possible to predict a higher percentage: 81.4 %. The relative impacts of factors reveal that EHO is not modelled as easily as it is modelled in ROA. Primary limitation is the fact that information on previous dwelling and Hh characteristics are not set for 2 years in the Ankara survey. Therefore, the relation between those changes and EHO can not be strongly linked to each other. Still, several links could be highlighted.

The values in regression are actually not comparable one-to-one between Ankara and ROA, since the data sets and the number of cases are

different. However, as one primary finding it could be argued that Turkish Hhs do not fit very well into the hypothetical arguments when compared to Dutch Hhs. In a more ambiguous housing system, the Turkish Hhs could behave more unpredictably and irrationally, which cannot easily be modelled using statistical techniques. The regression technique could differentiate the tenure mode of a Hh better in ROA than it does in Ankara, since in the former the tenure discrepancies are higher, both in terms of Hhs and dwelling unit attributes (Section 3.2).

As expected, **HHh age** is statistically the most significant factor with a positive magnitude in Ankara. It is more likely that the move is towards OO as the age increases. In ROA, HHh age has a negative relation in EHO due to higher number of renter Hhs at older ages in the Netherlands. This was emphasized in the national descptive part as well (Figure). Especially for the eldest Hhs the likelihood to be non owner occupiers is higher with reference to the youngest Hhs.

Hh size influences EHO with a negative magnitude in Ankara. In the national level descriptive part, it was argued that life cycle events do not accompany tenure career as strongly as it is in the Netherlands, still a positive corelation between EHO and Hh size had been argued to be valid since OO Hhs have larger Hh size on average. The negative magnitude found as a result of the regression can be attributed to the fact that information on the previous tenure type in the data set is not set for 2 years in the Ankara survey. Therefore, Hh could become OO due to increased Hh size, and yet due to leaving of children from the family for instance, current Hh size could be smaller, masking the effect of Hh size in EHO. Logisitic regression for Turkey did not reveal a negative magnitude for Hh size, probably because it was carried out with the whole data set due to missing information on previous tenure type.

Hh size has a negative relation in EHO in ROA. There is not a linear relation. The reason could be that as the HH size increases, it does not bring necessarily a direct impact in EHO. When Hh size reaches 8 for instance, Hh type could be a "not family" Hh composition in which OO motives would not be shared. (See Figure 5.9, Hh size frequencies were represented in a bell shaped curve for tenure types). It could be argued

According to the model, in Ankara, **Hh income** has a small but a positive impact except for the highest income group. It is not found significantly affecting EHO in Ankara parallel to the national level descriptive statistics. This is primarily because no matter their income levels, Hhs attempt to become OO in Ankara. As a secure tenure type with a relatively great investment value, EHO is realized not necessarily meeting the proper Hh-housing matchings in Ankara but with OO ambitions. It was argued in descriptive section that high income groups do not necessarily perceive OO as an ultimate tenure type when compared to the lowest income group. Meaning of OO is further elaborated in Section 5.5.3.1.

In ROA, however, income is the most important factor. The greater the income level, it is more likely that Hhs moved to an owner occupied dwelling. There is a small decrease in B for the highest income level yet the general tendency reveals that for income levels lover than modal, it is more likely ot be renter while over the modal, it is more likely that the Hh became an owner occupier after the move. This is parallel to the national level descriptives and also to the national level regression.

Information on **Hh type** is not avaliable for Ankara survey. Yet it is included in the regression model for ROA. With reference to the model, the probability of moving into OO for "single person Hhs", "single parent Hhs", "couples" and "couples with children" is smaller than "Not family Hhs". As OO ratios are relatively higher for couples and couples with children, this result could be ascribed to that couples and couples with children had already moved to OO but long ago than 2 years period. This is further elaborated in Section when the change in HH type is elaborated (5.5.2.3).

In ROA, **dwelling size** is the most important factor among spatial-dwelling attributes. With a positive effect, Hhs living in dwellings of "larger than 200 m^2" most likely moved to owner occupied dwellings when compared to Hhs moved to dwellings smaller than 50 m^2.

Number of rooms has a positive relation in EHO but the impact is small and insignificant in ROA. As expected in the national level descriptive study, number of rooms is found to have a positive relation

in EHO in Ankara. Yet, the impact is smaller when compared with ROA. Spatial stress-room stress was not argued to be a primary motivation for Turkish Hhs in Section 3.8.2. In ROA, Hhs who moved to younger buildings are most likely to be owner occupiers with reference to Hhs who moved to older buildings.

Generally speaking, regression for the Netherlands is parallel with regression for ROA. The effects of HHh age, number of rooms, income, dwelling size, Hh type and building year of the dwelling revealed similar relations to EHO. An example for the small differences could be that dwelling size has a more stronger effect in ROA than it has in the Netherlands. Regressions for Turkey and Ankara also proved similar trends are valid in EHO in Turkey and in Ankara. One major difference is that Hh size has a positive relation to EHO in Turkey whereas in Ankara it is negative. This could be ascribed to the fact that information on previous tenure type is not set for two years ago in the Ankara survey.

A regression analysis would not reveal much about the EHO process when evaluated independently from the contextual differences and the descriptive study. Even making correct assessments from the "Odds ratios" and B values that regression provides would have been difficult or impossible if the context (Chapter 3) and positions of OO and NOO (Chapter 5) were not examined for the two countries. This supports one of the main arguments of the thesis – that EHO and housing processes should involve several levels of investigations, including studies of both macro and micro features, but should not be reduced solely to binary statistical modelling techniques.

Next section goes on a descriptive study for ROA and Ankara Section 5.5.2.1 focuses on social meaning of OO among Hhs. The following two sections however provides information on Hhs who actually realized the move to OO in ROA and Ankara. In that step, from the main data sets, Hhs who were NOO but who are now OO are selected. Number of cases decreases to 150 Hhs for ROA and to 389 Hhs for Ankara.

5.5.2. Meaning of OO in Ankara and ROA

In order to analyze EHO in the case areas, the meaning of OO is demonstrated to reveal how OO is perceived by Hhs as a tenure type: whether they favour it to other tenure types, and if so, for what reasons.

The questionnaires do not contain exactly the same questions in order to this end, however similar information can be acquired indirectly[17]. This step is carried out to obtain an understanding of the social meaning of the tenure in the estimation of Hhs, which can lead to ambitions for OO in the housing markets.

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[17] In the case comparison, like in the national level, data is reduced to cover only the urban areas. The Ankara survey is already an urban survey; but from WoON, however, non-urban cases ("niet stedelijk" [stemgem=5]) are eliminated, and a sub-dataset is formed that comprises the urban cases of ROA. As a result, the sample sizes are 1,915 and 4,774 cases for Ankara and ROA, respectively. In both of the surveys there are a number of questions that are asked only to owner occupiers or only to renters. For such questions, the grand totals can be as much as the number of the renters or the owners being asked, but not the whole sample (not 4,774 for ROA, and not 1,915 for Ankara). In other words, when the question is asked only to renters in the ROA sample of 4,774 cases, it means there may be at most 2,549 answers; and when it is a question for owners, at most 1,669 answers will be available. In Ankara, similarly, answers from the rental and owner sections can be at most from 544 and 1,234 cases, respectively. In order not to mislead the reader, in the tables following this section the "grand totals" in the tables refer to the total number of Hhs to which the question is asked; and because of this the grand totals may vary depending on the type of question.
The sample for Ankara is lower when compared to its population. This limitation is mostly due to the survey implementation method, which depends on the will of households to participate in the survey. For more information on the method and limitations see Appendix B.2.1. Furthermore, the Ankara survey has separate parts for owner occupiers and renters. In this thesis, only cases of owner occupiers are employed, however there is one exception: to analyze the will of the households to becoming home owners, a variable from the renters' section is used (Table 29).
The total number of respondents was more than 4,218 (2549+1669) since there are 556 missing cases for the question on tenure type (huko) in WoON. 4,774, however, is the total number of Hhs living in ROA, as defined by WoON 2009.
Total number of respondents is more than 1,778 (1,234+544) since there are missing cases for the question on tenure type in the Ankara survey.
Data sets employed for the national level are different than the data sets of Ankara and ROA: (HBS 2003 for Turkey vs. Ankara survey for Ankara; WBO 2002 for the Netherlands vs. WoON 2006 for ROA). Therefore, the results of the regression are not directly compared between "Turkey vs. Ankara" or "Netherlands vs. ROA", but basic comparative discussion is carried out.

In the Ankara survey, since there are two types of questionnaires – for renters and owner occupiers – there are two types of questions aimed at investigating their opinions on OO. Owner occupiers were asked to select from multiple answers as to what OO means to them. Of the respondents, 65 % reported that they considered OO as a *natural need*, which is a high ratio that indicates the social and cultural value attributed to OO as a tenure type. For 24.4 % of the Hhs, OO was considered to provide security, while 8.60 % defined it as an investment good.

Table 5.21: Meaning of OO, Ankara		
	Frequency	**Valid Percent**
Natural need	738	65.0
Investment good	98	8.6
Provides Security	277	24.4
Indicator of status	4	0.4
Allows modifications within the dwelling, according to needs	11	1.0
Other	8	0.7
Total	1,136	100.0
Missing	98	
Grand Total	1,234	
Source: Processed from Ankara Survey, 2008.		

The answers given to the above question do not represent directly the reasons why Hhs become owner occupiers, but rather their opinions on OO as a tenure type.

The Ankara survey asked renter Hh if they had a desire to become owner occupiers. The responses obtained indicated that 45.70 % of all respondents would indeed like to become owner occupiers, but the group also stated that they could not make the move due to financial constraints.

Table 5.22: Desired Tenure Type for the Next Move, Ankara		
	Frequency	**Valid Percent**
Not interested	154	32.9
Awaiting better credit conditions	52	11.1
Desire OO, but lack sufficient financial resources	214	45.7
Made attempts to EHO, but were unsuccessful	13	2.8
Have made attempts, and will be owners soon	35	7.5
Total	468	100.0
Missing cases	76	
Grand Total	544	
Source: Processed from Ankara survey, 2008. This is only asked to renters in Ankara.		

Some 32.90 % of the respondents stated that they were not interested in becoming owner occupiers, while 11.10 % stated that they were waiting for better opportunities to obtain credits.

A similar analysis can be carried out from WoON indirectly, by employing the question "for what reason(s) did you buy your dwelling?"[18] This question was put only to those Hhs that had bought their previously rented dwellings, thus making the move to OO. As such, those Hhs that became owner occupiers through other routes, such as purchases on the open market etc., are not included within this question. The reasons given should not be understood as the *wills* of the respondent Hhs to become owner occupiers, but rather the *actual* reasons. In other words, they represent the revealed choices, but not the stated choices. Moves in these cases do not necessarily involve spatial improvements in terms of size and the number of rooms, since there is no move to another dwelling unit, however there is a tenure type change, which brings with it the benefits and advantages of OO.

[18] (Om welke reden of redenen hebt u indertijd de woning gekocht in part 14.4, rgkoch1-rgkoch9)

Table 5.23: Reasons for Buying a Dwelling, ROA		
	Frequency	**Valid percentage***
No annual rent increases	6	27.30 %
To take advantage of value increases of the property	4	18.20 %
Own possession acquired	8	36.40 %
Ability to maintain one's own house	1	4.50 %
To be "my own boss, and the ability to enlarge my house as I like"	4	18.20 %
Part of the expenses can be deducted from income tax	2	9.10 %
Ownership subsidy availability	0	0.00 %
Buying is cheaper than renting	7	31.80 %
Other reasons	7	31.80 %
Total**	22	

The most significant share (36.40 %) was for "own possession is acquired"; with financial factors, such as "buying is cheaper than renting" and "no rent increases" being highlighted as other relevant reasons that compelled Hhs in ROA to buy their rented dwellings.

In addition to this information, in order to reveal the will of owner occupier Hhs in ROA, the variable of rkoop1-rkoop11[19] is employed (For what reason[s] would you like to buy your rented dwelling?), but only to renters. The percentages indicate the reasons to use the state-offered "right to buy" for Hhs living in rented dwellings thus do not cover direct purchasers from the market or other ways. The results were similar to the first group, who had already bought their previously rented dwellings and had thus made the move to OO. Hhs in this group mostly

[19] For examining the will, rkoop1-rkoop11 is employed. Om welke reden of redenen zou u uw huurwoning willen kopen? These are processed from the answers to the question "For what reasons would you like to buy your rented house?" (rkoop1-rkoop11- Om welke reden of redenen zou u uw huurwoning willen kopen? in part 12.2 of WoON.

highlighted the financial benefits of a shift to OO, specifically "OO is cheaper than renting (28.50 %)", "there is no rent increase" (23.10 %), "value increases" (22.90 %), availability of "ownership subsidy" (4.10 %), and "deduction of mortgage payments from income tax" (14.80 %), thus reflecting the financial advantages of OO.

Table 5.24: Reasons for Buying a Dwelling, ROA

	Frequency	**Valid percentage**
No annual rent increases (geen jaarlijkse huurverhoging)	145	23.1%
Taking advantage of value increases of the house (profiteert van waardestijging huis)	144	22.9%
Own possession acquired (verwerf eigen bezit)	280	44.5%
I can maintain my house myself (kan mijn woning zelf onderhouden)	83	13.2%
I am my own boss: I can enlarge my house as I would like to (ben eigen baas: kan mijn woning verbouwen als ik dat wil)	178	28.3%
Part of the expenses can be deducted from the income tax (deel kosten kunnen worden afgetrokken van de inkomstenbelasting)	93	14.8%
Ownership subsidy can be got (kan een koopsubsidie krijgen)	26	4.1%
Buying is cheaper than renting (kopen is goedkoper dan huren)	179	28.5%
Other reasons	161	25.6 %
Total*	629	
Missing	1920-629	
Grand total	1920	

Source: Processed from WoOn 2006. The figures in this table are drawn from frequency distributions of 9 questions of WoOn (rkoop-rkoop9). Reason to buy (Reden koop) is asked to all households (4774).
Total adds up to 1289 because more than one answer was possible. Yet, 629 of 4774 households answered. Valid percentages were calculated based on 629 but not 1289.

Another group of reasons increasing the will to buy rented dwelling may be formed based on the facilities that come with OO, such as "own

possession is acquired" (21.70 %), "becoming the only *arbiter* for all decisions over the dwelling" (23.80 %) and "opportunity to carry out personal modifications and maintenance on the dwelling" (13.20 %). It is worth bearing in mind that these are the stated choices of Hhs rather than the revealed choices, as in the case of the previous variable used.

In ROA, like in the Ankara case (Table 5.22), the preferred tenure type for the next move may also be examined by employing the variable of "*gewenste woning huur of koop-ghuko"*. Different from the Ankara survey, however, the question was asked to all Hhs, regardless of their current tenure type. Thus, the figures cover also the wills to make other moves, such as from owning to renting, from renting to renting etc., rather than revealing only a desire to become an owner occupier.

Of all current owner occupiers in ROA, 88.30 % stated that they would prefer to remain as owner occupiers in the next move as well, and this may be accepted as a continuation of the current state in most cases. Only 11.70 % of owner occupiers stated that they would prefer a move to the rental sector in their next move.

Of all the current renters, 33.80 % stated that they would prefer to be owner occupiers in their next moves, while 66.20 % denoted that they would like to continue renting. This may be due to the fact that most Hhs living in ROA are young and single-person Hhs (Table 5.25) who are still not ready for a more stable life and tenure type.

Table 5.25: Desired Tenure Type for Next Move, ROA

Current tenure type	**Tenure type for the next move**	**Frequency**	**Valid Percent**
Owner occupiers	**Owner occupied**	288	88,3
	Non Owner occupied	38	11,7
	Total	326	100,0
	Missing	1343	
	Grand Total	1669	
Renters	**Owner occupied**	315	33,8
	non owner occupied	616	66,2
	Total	931	100,0
	Missing	1618	
	Grand Total	2549	

Source: Processed from WOON 2006 (ROA)

In summary, in Ankara Hhs consider OO as the ultimate tenure type. The effect of housing policies and macro conditions, which created OO ambitions in society, has strong repercussions in this preference. In ROA, however, Hhs, being more confident in their future, do not place much emphasis on OO as an investment. Extensive housing policies, as well as higher incomes, make Hhs feel relatively secure. It can be stated that Dutch Hhs living in ROA consider OO mostly as a part of the shelter problem, whereas in Ankara, in addition to shelter, it is one of the most significant routes to attaining financial security.

This section was carried out in order to understand the meaning of OO, which has a relevant influence in EHO, in both cases. The next section contains a sub-data analysis from ROA and Ankara, and includes a closer look at EHO.

5.5.3. EHO in Ankara and ROA

In this section, in order to make a deeper analysis of EHO moves, only the Hhs who were non-owner occupiers[20] in their previous dwellings but who are now owner occupiers are singled out from the main data sets. None of the surveys used in this thesis were carried out with the same Hhs as a part of a continuous process. Thus, the Hh life-cycle events and their relation to housing careers cannot easily be traced. By making this sub-grouping, information on the last move (which is EHO) can be gathered, and within this group several further analyses which were not possible with HBS become possible, for example the triggers that initiated EHO and the changes observed after the EHO move can be examined. The one disadvantage of this method is that the sample sizes decrease to 389 for Ankara and 150 for ROA. From this point onwards, the sub-groups of 389 and 150 cases are referred to rather than all the

[20] In parallel to the principle of the thesis, non-owner occupiers comprise all the households except owner occupiers. Therefore the number of non-owner occupiers is higher than the number of renters.

samples from the Ankara survey and WoON (ROA). In other words, only the Hhs who moved from NOO to OO are referred to in both of these samples. Similar to the national level, for the Ankara and ROA cases, as well this thesis, attempt to work in tandem in an analysis of both urban areas.

As mentioned previously, the design of the questions in the two surveys are not totally identical, however they are comparable in that they both reveal the triggers (events) and changes in Hh and housing attributes within the EHO move[21]. In EHO, Hhs may face one or more of these changes or triggers at the same time, and so multiple answers were permitted in the surveys. Since Hhs answered simultaneously for several changes, the percentages of those variables used here do not add up to 100 %; and in some instances the frequencies have been compiled from distinct questions, while for others the information has been garnered from several questions. The significance of a reason within the case or across the cases may indicate a relative importance, although the figures do not represent a one-to-one relation with the factor and the associated ratio. The aim was to find out firstly what type of factors trigger EHO, and secondly the relative significance of these factors within and across the cases.

Since only Hhs who were non-owner occupiers in their previous dwellings, but who are currently owner occupiers, are included in both cases, a previous move (a move from one dwelling unit to another in the questionnaire) implies a move to OO (EHO). This will have two implications on the results: first, the move covers not only tenure choice but also housing choice. Even in cases when Hhs bought their rented dwellings[22] the move covers both tenure and housing choice, and as such

[21] The list of variables used from both data sets in this section is given in Appendix B.
[22] In the Netherlands, as a result of home ownership promotion policies, it was possible to buy social rented dwellings after the 1990s. Therefore, several cases from the ROA sub-sample may include such moves of EHO in which the move is made within the same exact dwelling unit (like the right to buy in the UK). In such moves, the tenure type changes but not the spatial features of the dwelling unit, such as the number of

the tenure and housing choices are not separated. Secondly, since the recent move necessarily implies EHO, variables initially designed for all types of moves (from owning to renting, from owning to owning etc.) can be employed (like redverh and belangre) to find out the triggers for EHO in the cases of Ankara and ROA.

5.5.3.1. Triggers in EHO

In this section, triggers that have led to a move to EHO are investigated, in which changes in the housing and Hh status that occurred *prio*r to the move are demonstrated. As such it is possible gain answers to the questions of 'Is the move due to increase in Hh size?; Is it because of a rise in income? etc.

Triggers in the move from NOO to OO come under three headings: life cycle events, spatial concerns and financial concerns, for both cases. Recalling the propositions developed in Chapter 3, in Turkey EHO is more of provision for financial security rather than shelter that Hhs make in order to make adjustments. Thus, it is expected that financial expectations related to OO will be of utmost significance in EHO in Ankara.

Table 5.26: Triggers in Entry to Home Ownership, ROA (%)

	Trigger	**ROA (%)**
Life cycle events	Marriage or living together	30
	Divorce	10
	Living alone (Separate Hh formation)	8.6
	Work *	17.4
	Health care needs *	4.3
Financial Matters	Decreased	NIA

rooms and size etc. However, the value of a dwelling can still be increased through maintenance, even in those cases. A similar type of EHO is also valid in Turkey: households can buy their previously rented dwellings and become owner occupiers in the same dwelling unit in which they were previously renters. These moves are also assessed within EHO moves and not separated from the main data sets.

	Increased	
	No change	
Spatial concerns	Previous dwelling *	26.1
	Previous neighbourhood *	13
	Previous dwelling was too small	66.7
	Architectural quality *	13
	Desire to buy a house	21.4
Source: Processed from WoON. *NIA: No information available.* **Associated figures are drawn from employing the most important reason in the recent move. Unfortunately for the rest there is no weight indicator.*		

Some 21.4 % of all current owner occupiers stated that "it was the desire to buy a house" that initiated the process for them. However this is only the fourth most common trigger in ROA, following "previous dwelling was too small", "marriage or living together" and "previous dwelling". These results affirm that EHO is mostly associated with an adjustment of the Hh and housing unit in ROA.

Table 5.27: Triggers in Entry to Home Ownership, Ankara (%)		
	Trigger	**Ankara**
Life cycle events	Marriage	8.4
	Having child(ren)	14.6
Financial Matters	Increase in Hh income	23.1
	It became easier to buy house through loans	23.9
	For investment value (potential capital gains in the future)	14.1
	Financial resource that became available, like inheritance	7.9
Spatial concerns	Difficulties in finding appropriate rented dwelling	12.3
	Difficulty in finding owner occupied housing in desired quality and place	8.2
Source: Processed from Ankara Survey, 2008.		

Table 5.27 shows that in Ankara it is financial concerns that have a greater influence on EHO, whereas spatial concerns affect EHO less. Life-cycle events have no significance when the ROA case is recalled, which parallels the previous discussions that Turkish Hhs consider OO mostly in terms of its investment value and expected capital gains, rather than its use value.

In 3.8.2 it was argued that in Turkey the effect of financial eligibility would be more relevant than Hh events in EHO. Similar to the findings of a previous analysis of this thesis, in Ankara, Hhs attempt to become owner occupiers as soon as they become financially eligible. In this process, Hh features and spatial concerns affect the process to a secondary extent. Contrarily, in ROA 66.70 % of the EHO movers stated that Hh-housing unit matching is significant, and when over crowding occurs, for instance, in most cases it will be followed by an EHO move. This links EHO strongly to life cycle events, since the reason "previous dwelling was too small" can happen when Hh size increases, such as in the case of marriage and/or childbirth. Considering that none of the triggers for Ankara are over 25 %, the significance of the 66.70 % ratio in ROA can be comprehended. In ROA, the desire to live in spatially efficient dwellings is the most significant reason.

5.5.3.2. Change in Hh and Housing Attributes

In this section of the study, the changes observed in Hhs and housing statuses *after* EHO moves are investigated. In Ankara, of all the Hhs that made the move from NOO to OO, 19.40 % reported that the number of children increased after the move; and at the end of this move, 25.90 % stated that the Hh size increased as well. Although not explicit, the results reveal the effect of life-cycle events, such as marriage and childbirth (which resulted in increases in Hh size and number of children), on EHO in Ankara. These Hhs made the move before the event (having children/marriage) occurred.

Table 5.28: Changes Observed in Hh Status and Housing Attributes after Moving (%)

		Ankara	**ROA**
Number of children*	Decreased	12,4	
	Increased	20.5	
	No change	67.1	
	Total	100	
Hh size *	Decreased	20,0	
	Increased	26,6	
	No change	53,4	
	Total	100	
Number of rooms	Decreased	8,5	16.7
	Increased	39,1	61.3

	No change	52,5	21.3
	Total	100	100
Dwelling size	Decreased	19,5	0
	Increased	65,2	100
	No change	15,4	0
	Total	100	100
Dwelling value	Lower than the previous dwelling unit	13,5	NIA
	Higher than the previous dwelling unit	80,1	NIA
	No change	6,4	NIA
	Total	100	NIA

Source: Processed from WoON, 2006 and Ankara survey, 2008.
**For ROA rather than current and previous Hh size and Number of children, another variable is used: current and previous household composition, see Table 5.31.*
NIA: No information available.

However, 68.3 % and 53.5 % of the respondents reported no change in the number of children or Hh size, respectively, in Ankara. Rather, in 12.3 % and 20.6 %5 of the cases, these figures witnessed decreases after EHO due to smaller tenure discrepancies in the Turkish housing stock in terms of the number of rooms and size[23].

In terms of changes in housing attributes, spatial improvements are valid for both cases, and yet they trigger EHO moves in ROA more significantly. EHO moves bring extra space to the owner (in terms of dwelling size and number of rooms) in only 65.60 % and 39.90 % of the cases in Ankara; while the same indicators for ROA are 100 % and 61.30 % respectively. The differences between the two cases stem from the current differences in the housing stock attributes: the Turkish housing stock is not as strongly differentiated as that of the Netherlands in terms of tenure types. In other words, there is no tenure discrepancy when compared to the Netherlands[24]. Although, owner-occupied dwellings are

[23] Tenure discrepancy in the Netherlands was argued to be higher than Turkey in 5.2.6. and 5.2.7.
[24] See 5.2.6 and 5.2.7.

larger and have more rooms on average in Turkey, for both tenure types the dwellings units are quite similar in terms of their spatial attributes. Therefore, EHO moves in Ankara do not necessarily bring spatial improvements. A further argument can be developed on the grounds that Turkish Hhs do not generally make EHO moves for adjustment purposes, such as to decrease room stress, but rather, in most cases, to address financial concerns by decreasing housing costs and building financial securities.

Of the EHO moves in the Ankara sample, the most significant change occurred in the increase in dwelling value, which affirms the Hhs' expectations on the potential capital gains that OO provides (80.80 %). As previously indicated in 5.5.2., having conceptualized OO as a natural need, as something providing security and as an investment good, Hhs in Ankara are primarily interested in the financial benefits of OO. As historical discussions have demonstrated, this stems primarily from the high inflation figures, which have led to instabilities in macro economic conditions, making Hhs use OO as a hedge against the erosion of savings (financial security).

In ROA, on the other hand, EHO moves are strongly associated and triggered by changes in Hh status, which have generally been towards larger Hh sizes and stability. As Table 5.29 demonstrates, of all the single-person Hhs that entered home ownership, 95.7 % became couples or couples with children after the move. The triggers in these cases were the most significant life cycle events: co-habitation and childbirth.

Table 5.29:Changes in Hh Composition after EHO Move in ROA			
Previous Hh composition before the move	**Current Hh composition**	**Frequency**	**Valid Percentage**
Single	Single person Hh	1	4.3
	Couple	19	82.6
	Couple + Child(ren)	3	13
	Total	23	100
Married/couples without children	Single person Hh	3	14.3
	Couple	4	19
	Couple + Child(ren)	14	66.7
	Total	21	100
Married/couples with children	Single person Hh	3	21.5
	Couple + Child(ren)	11	78.5
	Total	14	100
Source: Processed from WoON 2006 *Table 5.31 is developed from previous and current Hh type variables of WoOn. Previous Hh type is available only if the Hh had moved in the past two years period. Therefore changes in Hh type could be linked to this move*			

Among the married couples that moved to OO in ROA, 14.3 % went on to become single person Hhs, which may imply divorce in general. Some 19 % of this group became owner occupiers in the course of their continuing marriage; while 66.7 % of married couples who entered OO had children after they became owner occupiers. This shows that Hhs made their moves prior to key events in order to achieve dwelling unit-Hh adjustment.

In ROA therefore, the effects of life-cycle events can be argued to be more fundamental when compared to the Ankara case. Recalling the case-specific propositions developed in Section 3.8.2, the case study reveals clearly that in ROA the relevance of life-cycle events in EHO when compared to Ankara.

Of all the variables employed for Ankara, the age of the HHh, number of rooms and the dwelling size are found to significantly affect the mode of tenure of a Hh. Confirming the descriptive analysis, income is not found to have no significant affect on the tenure type of the Hh. The age of the dwelling unit and Hh size was also found to have little significance in EHO.

5.6. SUMMARY OF RESEARCH FINDINGS (ANKARA-ROA)

The Ankara-ROA comparison was possible due to the availability of an Ankara survey, through which (1) triggers in EHO, and (2) the changes observed after EHO could be assessed; and the repercussions of the national level differences are found to be valid in the cases of Ankara and ROA as well. In the absence of an effective national housing policy in Turkey, rather than Hh events it is the financial concerns of Hhs that are found to determine tenure choice in most cases in Ankara. In ROA, on the other hand, Hh events serve as significant triggers for EHO in most cases. This difference between Ankara and ROA mainly stems from the current different institutional structures in the two countries and the availability of credits for OO.

In spatial terms, the current housing stock attributes are found to have a relevant influence in tenure choice. The relatively non-tenure discrepant housing stock in Turkey (Section 5.2.6 and 5.2.7) means that EHO brings less spatial upgrades; whereas in ROA, EHO moves are associated with spatial upgrades due to the higher tenure discrepancy that already exists in the housing stock.

The results of the regression further indicate that in ROA it is the dwelling size, number of rooms, and income of the Hh that have a positive correlation with the tenure type, with dwelling size being the major determinant. On the other hand, HHh age, Hh size and Hh type are found to have negative a magnitude in EHO. In Ankara, however, income is found to have a positive but a small correlation in EHO. For the highest income group however the effect is negative, supporting that as Hhs in Ankara act regardless of their income attributes. The HHh age and number of rooms are found to be significant factors in determining the tenure type of a Hh, with the number of rooms being the strongest predictor. Both factors have a positive correlation with the tenure type of the Hh.

5.7. CONCLUSIONS

In this chapter, the second part of the EHO study – themicro level comparison – was carried out. The results reveal that in addition to macro level factors, micro circumstances also have a significant influence on EHO; and the two countries have distinct EHO processes that stem

from these macro and micro level differences. Due to the strong state regulation in the Netherlands, EHO is realized with respect to certain events in a Hh life cycle, whereas in Turkey, EHO is more related to its investment value and its ability to decrease future ambiguities. Ambitions for OO are also argued to be higher in Turkey. The age of the HHh, number of rooms and size of the dwelling are found to influence EHO positively in Turkey; while Hh type, Hh size and income, on the other hand, are found to have no significant effect. In the Netherlands, however, Hh type is found to have the strongest effect in EHO, revealing the significance of life-cycle events.

The initial differences valid at the national level (Section 5.2) are observed in the Ankara-ROA comparison (Section 5.3) as well. The regression technique employed furthermore demonstrates that in Ankara, EHO is not significantly triggered by life-cycle events, as is the case in ROA.

The next chapter reviews the findings of the study, identifies the problems in the two housing systems and discuss policy implications.

CHAPTER 6

CONCLUSION: EVALUATION AND POLICY IMPLICATIONS OF EHO

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The contextual and empirical Entry to Home Ownership (EHO) analysis of the study confirms that despite having overall similarities, there are great differences in the factors affecting EHO in the two countries. As the Dutch and Turkish housing systems have historically been strikingly different from each other, these initial differences have had different repercussions on the EHO processes in the two countries. The findings of the study, therefore, mostly indicate the divergences rather than convergences in the two housing systems, which is result of the deliberate selection of the cases in the beginning.

The research findings were previously summarized for both levels (National level and Case study [Ankara-ROA]) in Sections 5.3 and 5.7., respectively. In this chapter, drawing upon the findings of the contextual comparison of Chapter 3 and the empirical comparison of Chapter 5, problems are identified for the two countries. Following that part, the implications of the EHO processes in the two countries are discussed, together with the primary arguments of the study that were stated in the introduction. This chapter concludes by defining the contributions and limitations of the study, and makes suggestions for further studies.

6.1. PROBLEMS IN THE TWO COUNTRIES

6.1.1. Turkey

As a result of the EHO analysis, problems of "captive ownership", "biased housing stock characteristics" and "late ownership" are identified in the Turkish housing system.

6.1.1.1. Captive Owner Occupation

The first problem identified is "captive owner occupation". Recalling Figure 5.5, as the age of the household head (HHh) increases, the home ownership ratio also increases in Turkey. This supports the claim that

once households (Hh) in Turkey enter owner occupancy (OO), they do not return to renting in significant numbers, even if Hh attributes change in time. This stems from the relatively advantageous position of OO in Turkey, compelling Hhs to stay in that particular form of tenure for as long as possible. This problem is further accentuated by:

- Insufficiently diversified housing stock in terms of tenure types, which leads to an incapability of households to make moves (Housing stock attributes).
- Absence of reverse mortgage, which limits/prevents the liquidization of assets (Housing finance)
- Investment value of OO, which is over emphasized in the ambiguous economics of Turkey (Macro conditions)
- Cultural significance of OO in Turkey (socio-cultural features)

Captive OO is identified as a problem, since it may lead to decreases in the mobility of Hhs, and thus prevents a good functioning of the housing stock ("immobility of Hhs in the housing stock" and "inefficient use of the housing stock"). This captive ownership may put financial burdens on governments due to the inefficient use of the stock and lead to a waste of national resources.

The EHO analysis for the cases (Ankara-ROA) further supports the captive ownership problem for Turkey. In section 5.5.2, it was demonstrated that 65 % of current owner occupiers in Ankara consider OO as a *natural need*; and 45.7 % of respondents stated that they would prefer to become owner occupiers in their next move, but that it would depend on their financial eligibility. These are remarkably high ratios, indicating the social and cultural value attached to OO as a tenure type in the country.

A result of this prevalent cultural and economic significance of OO in Turkey has been the emergence of unauthorized housing (gecekondu), which has developed mainly among low income groups in a bid to solve their own housing problems in the absence of state support. If EHO processes were evaluated seriously enough in the Turkish housing system, then most probably the gecekondu problem would not have emerged in Turkey. Gecekondus now go beyond only meeting a housing

need to become more of a speculative process. This problem represents the seriousness of the issue: households can follow unauthorized methods and administrations are able to neglect thousands of people living in these dwellings, which have grown in number to cover a significant proportion of the macro-forms of big cities (19.5 % in Ankara). This has mostly been because the process masked the inadequacy of administrations in the provision of housing.

6.1.1.2. Biased Housing Stock Characteristics – Insufficiently Diversified Housing Stock

The supply-imposed housing provision in Turkey has led to a biased composition of stock in terms of size and number of rooms (Section 5.2.6 and 5.2.7), and a previous study has shown that particular dwelling types are found to be prevalent only in particular neighbourhoods in Turkey (Sarıoğlu, 2000).

These limits in the housing stock may be the reason for the low ratio of home ownership at younger ages in the country. In the empirical comparison (Section 5.2.6 and 5.2.7) it was demonstrated that the Turkish housing stock is characterized with a great majority of three and four-room dwellings (89.31 %), and significantly smaller ratios of dwellings with either "one room" (0.29 %) or "six rooms or more" (0.63 %) in the whole stock. Since home ownership is one of the largest purchases made by a Hh, purchases are generally delayed until the right dwelling type is found. If this path is chosen, the limits of the housing stock may lead to late ownership. Alternatively, if a Hh makes a purchase disregarding correct dwelling-Hh matching, this may lead to inefficiency in the housing stock on the one hand, and to residentially unsatisfied Hhs on the other. As such, this inefficiency may take the form of both over crowding and under utilization of the dwelling units, and residential dissatisfaction may arise in both circumstances.

Biased housing characteristics, together with the cultural significance of owner occupation (captive owning) in Turkey may lead to an immobility of Hhs within tenure categories in the housing market, and create market inefficiencies. When households are immobile they do not make the necessary moves within the housing stock to enable stock efficiency. Thus, in particular areas the result may an excess housing supply, while

in other areas excess housing demand. In accordance with a study carried in 2002, in Turkey only 43.68 % of Hhs live in dwelling units matching their Hh sizes (Oğuz, 2003)[1]. The cost of such inefficiency has been defined as equalling $1.076 million annually (in 1994) (Oğuz, 2003). From the Housing Budget Survey (HBS) of 2003, it can be seen that both for owner occupiers and non-owner occupiers the Hh size-Number of rooms matchings were inefficiently distributed (Sarıoğlu et. al, 2007).

This biased distribution in the housing stock has also resulted in lower tenure discrepancies in terms of the physical attributes of dwellings. Owner occupied and non-owner occupied dwellings could not be significantly differentiated from each other when compared to the Dutch case. In 5.2.7 it was affirmed that 88.01 % of all non-owner occupied dwellings, and 83.83 % of all owner occupied dwellings measured 50–120 m^2, with a similar result being recorded for "number of rooms" (Section 5.2.6). This low discrepancy could hypothetically be assumed to mean a lower motivation for home ownership in Turkey, however home ownership rates have always been high. This is evidence that moves to home ownership are not primarily aimed at dwelling upgrades in terms of number of rooms and dwelling size (use value), but rather that under ambiguous Turkish economics, such as high inflation rates, OO is mostly considered for its investment value.

The same understanding could not be argued to be prevalent among Dutch Hhs. As the Ankara-ROA comparative study revealed, significant ratios of EHO moves are triggered in ROA due to spatial adjustments of Hh attributes with dwelling units, which is something that recorded a much lower ratio in Ankara.

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[1] Balamir (1996a) discussed the striking mismatches between dwelling units and Hhs; and reported the distribution of Hhs of different sizes across dwellings of different sizes for various years. The study of Oğuz (2003), under his supervision, employs more recent data.

6.1.1.3. Late Ownership

In the empirical comparison, the average age of the HHh among owner occupiers and non-owner occupiers indicates that ownership is realized in the later stages of the life cycle in Turkey. Although the figures do not represent the first time of becoming a home owner, it does reveal that Hhs become owners mostly in their 30–40s. In section 3.7.2 it was indicated that in Turkey the 31–40 age group is the most significant in terms of EHO, since 34.8 % of the current owner occupiers became so in that age range. In the Netherlands, 40.2 % of current owner occupiers entered OO in the 21–30 age range, which points to a later ownership process for Turkey when compared to the Netherlands.

In section 5.2.1 it was affirmed that of all owner occupiers, 71.3 % were over 40 years old in Turkey, corresponding to 51.46 % in the Netherlands. Likewise, of all the HHhs aged 18–24, 47.00 % are home owners. Even in the Netherlands, which is known to be a renter society, this ratio is relatively higher, at 54.00 %. Considering that the Turkish population is significantly younger than the Dutch population, the difference between the figures of 71.3 % and 51.46 %, at first glance, would hypothetically point out great differences in terms of the EHO age in the two countries. However, these findings should also be evaluated taking into account the demographic attributes of the population, in particular of the Hh formation process. One reason for later ownership for Turkish people could be the Hh formation process, which generally begins at an older age. It was argued in section 3.1.4 that, being established mostly at older ages, Turkish Hhs would also begin their housing careers later, and so the significant difference (around 20 %) in frequency of Hh ages in terms of tenure types would not directly alter the timing of EHO in a one to one relation. In other words, the problem of late ownership cannot be attributed to only one reason (HHh age frequencies), but rather is argued to be the result of a combination of population and demographic attributes, as well as Hh features.

6.1.2. The Netherlands

The EHO analysis carried for this thesis out revealed several significant aspects of the Dutch housing system, while pointing out a number of

problems – those of captive renting and high tenure discrepancy in the housing stock.

6.1.2.1. Captive Renting

The social rented sector in the Netherlands is a significant aspect of the country's housing system, bringing a number of benefits both to governments and Hhs. However, changes in Hh tastes occur faster than can be addressed in the institutional set up and legal framework. Especially when fixed investments, such as the substantial rental housing system, are involved in a policy, it is not easy to abandon it and move to another quickly. Therefore, such policy measures, when extensively implemented, may create inflexibilities.

Strict housing policies implemented in the country have been welcomed for many years, yet have also come under a number of criticisms. Boelhouwer (2005) argues that the administrative hurdles faced by the government in the supply of housing could be eliminated by applying a much more flexible "new build" policy to enable developers to answer the changing market conditions. Centralized policies are hardly modifiable and adoptable to changes; and housing and land markets can adjust towards new equilibriums very slowly and at much personal cost (Oxley, 2004:83). As King (1998: 122) argues, the promotion of one tenure category may lead to inflexibilities in a housing system, and Hhs may become immobile and stuck in that particular tenure type. In the Turkish case, this has been towards OO (captive owning); while being towards renting (captive renting) in the Dutch case.
The contextual comparison revealed that contrary the preferential position of home ownership in Turkey, it is renting that is assessed more positively and preferred by many households in the Netherlands. Although this attitude has changed since the 1990s following the promotion of home ownership by administrations, the extensively implemented public rental system in the country still exists. It was previously denoted in Section 5.2.1 that the HHh age frequencies of owner occupiers showed a bell-shaped distribution, meaning that there are a significant number of Hhs of older ages in the Netherlands, which was linked to the beneficiary renting options in the housing stock or the absence of adequate OO promotion for senior Hhs.

In the 61 + age group, it was argued previously in Section 5.2.1 that there are households who follow backward moves – from OO to the rental sector – in their housing career, or alternatively, who never move into the owner occupied sector. Such Hhs (Figure 5.5) delineate that public renting still appears to be one of the most significant aspects of the Dutch housing system. This, on the other hand could denote that promotion of OO in the Netherlands did not lead to significant results in the tenure positions of elderly renter Hhs. Attracted by the benefits of public renting, or due to the absence of sufficient OO promotion, these households prefer to remain in the rental sector. An EHO analysis, therefore, points out a need for this special group of Hhs as one of policy target groups for OO in the Dutch housing system.

The situation of captive renting in the Netherlands may indicate insufficient OO promotion for the elderly. In policy terms, it could be argued that OO promotion in the Netherlands did not make OO accessible to all age groups. Households aged 55 and over are, in fact, one of the target groups of the Ministry of VROM[2], however the policies that have been developed mostly focus upon houses specifically designed for the elderly. If easier access to OO for those groups is to be achieved, then changes to the interior arrangements of dwellings (such as good access, no interior stairs, an alarm system, fewer rooms but not less space.) may be required. This is considered to represent a problem, since access to a particular tenure category is hampered for that particular age group.

Captive renting could lead to problems of immobility among renters, and inefficient use and mismatches in the stock. This problem has arisen primarily due to many decades of over emphasis on public renting by the government, which has drawn criticism for its adverse effects on the national budget, and the fact that it has resulted in the development of a one-sided housing stock that is dominated by uniformly large,

[2] http://www.vrom.nl/pagina.html?id=37436 (accessed on 13.02.2009)

inexpensive, family dwellings (Van der Vlist et al. 2002: 1150). The immobility[3] of households may lead to inflexibilities in the housing market. The policy of housing subsidies was argued would place heavy burdens on governments in financial terms (Dieleman, 1994), and lead to mismatches in the housing stock (Dieleman and Van Kempen, 1994). In the Dutch case, over support of the rental sector led to misallocations, and subsequently to inefficient use of the stock. From another perspective, this could serve as being at the heart of the problem of an inflexible market.

Captive renting may affect mobility rates and efficiency in the housing market, while the effects of government intervention on residential-mobility rates may also be numerous (Clark and Heskin, 1982). Since a considerable part of the Dutch housing stock is allocated for the social rented sector, residential mobility may increase due to the lower quality of these units. However, rent subsidies and government intervention could be more beneficial to those that do not move, and thus encourage lower residential mobility (Clark and Heskin, 1982: 1150).

Captive renting could also limit the individual choices of Hhs. Housing is inherently fixed, and once built, major modifications may be difficult. When extensive government regulation on the housing stock exists, as in the Dutch case, the development of housing stock regarding tenure types is pre-determined by central agencies. The composition of the housing stock in terms of tenure types, therefore, becomes difficult to modify, and this is why administrations try to encourage Hhs into the already existent stock through subsidies and allowances etc.

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[3] By immobility, it is the lack of movement between tenure categories that is implied. Social renters may be mobile within the rental sector due to their instable household features, or due to the poor physical quality of the public rented dwellings. However they may still be argued to be immobile when sticking to renting and do not make moves to owner-occupied dwellings.

6.1.2.2. High Tenure Discrepancy – Dualization of the Housing Stock

In sections 5.2.6 and 5.2.7 show that the Dutch housing stock is more diversified when compared to the Turkish stock, composed of relatively higher shares of the smallest and largest units: 35.19 % of whole housing stock has five rooms or more, while 7.51 % of has between 1–2 rooms. These figures are strikingly higher than the biased housing stock of Turkey.

However, the current study of the attributes of dwellings in terms of tenure type reveal that the characteristics of the Dutch housing stock are highly dualized. In Sections 5.2.6 and 5.2.7 it was indicated that certain dwelling attributes in the Netherlands are found in particular tenure types: rented dwellings are smaller with less rooms; whereas owner occupied dwellings have more rooms and are larger on average. Additionally, in section 5.2.5 it was shown that newer dwellings (built after 1990) are generally owner occupied, while the older stock is mostly rented.

A greater diversification in a housing system could help efficiency; however a dualized housing stock in terms of tenure types might create further issues. This could be a reason for captive renting (high ratio of renters among older Hhs), as elderly and smaller Hhs are unable to find smaller units for OO in the stock. Similarly, a dualized housing stock in terms of dwelling size and number of rooms, might limit a Hhs' individual housing choice, which may decrease residential satisfaction. A dualized housing stock, on the other hand, may lead to spatially and socially dualized societies in which there are neighbourhoods containing mostly rental or owner-occupied dwellings. Such a strict spatial differentiation is not valid for tenure types in Turkey, as the location and distribution of rented dwellings are not pre-determined by central agencies. Rather, the spatial distribution of rented dwellings rests on the

will of private landlords, who rent out dwellings across the entire macro forms[4] of cities.

The EHO analysis thus highlights that the prevalent and extensive welfare understanding in housing provision in the Netherlands has resulted in a tenure discrepancy in the housing stock. This may not only affect individual Hh tenure choices, but also the economic efficiency of the housing stock, residential satisfaction and even socio-cultural relationship patterns in society.

6.2 IMPLICATIONS OF EHO IN TURKEY AND IN THE NETHERLANDS

In the Introduction, it was argued that EHO is a multi-dimensional process, involving both macro and micro factors. Considering the findings of the EHO analysis, the initial hypothetical arguments could be verified through the findings set out in Chapters 3 and 5.

The first argument of the Introduction stated that *"EHO is a multi-dimensional process, in which factors affect the process with distinct relevancies depending on the socio-cultural and spatial contexts, necessitating comparative EHO studies at different scales."* The EHO study of the thesis revealed overall similarities in EHO in the two countries, in as much as Hh attributes affect the EHO process; or macro economic factors are influential in EHO etc. The discussions and findings of Chapters 3 and 5 support the multi-dimensionality of EHO to a large extent. The EHO analysis also points out great differences between the two countries, which supports the argument that EHO is highly dependent on socio-cultural, economic and spatial factors. As the two countries are strikingly different in terms of economy, socio-cultural history and spatial circumstances, the EHO profiles identified for the two countries were remarkably different as well. High ownership rates in the absence of a housing finance system in

[4] A neighborhood-level EHO analysis could not be made in this study, firstly due to the absence of convenient data, and secondly because the study already included two levels of comparison (national and metropolitan levels).

Turkey could be explained through such EHOPs as inmating, inheritance-parental donations and family borrowing, and EHO transfers relying on private debts. Although similar types of factors are influential in EHO in the Netherlands, completely different EHOPs have been identified, such as "Transfers with market debt programmes", "Transfers without mortgage", "Boat-(Waterwonen)" and "Owner occupation through the 'sale of rented dwellings"'.

The results of the logistic binary regression further indicate that the effects of different factors are wide ranging in the two countries: the effect of dwelling size is less significant in Turkey when compared to the Netherlands; and the age of the HHh does not influence EHO in the Netherlands with a positive manner as it is in Turkey (Section 5.4). Income, one of the most popular factors for instance, is found as an insignificant factor in Ankara and even with a negative impact for the highest income group. These findings reveal that not all the factors raised in previous literature affect EHO in the two countries in the same way. Furthermore, although similar factors are influential in EHO in general, the relative significances could be remarkably distinct from each other.

Based on the results of the Ankara-ROA comparison, it was further possible to support that even though similar factors are influential in EHO in general, the two countries are characterized with distinct processes. In the Ankara-ROA comparison, a three-stage analysis was carried out in order to demonstrate the differences and the relative significances of "life-cycle events, financial concerns and spatial circumstances". Of these three groups of factors, life-cycle events and spatial circumstances were found to be the primary triggers for EHO in ROA. However, in Ankara, the majority of moves were found to be triggered for financial reasons.

The second argument in the Introduction was that *"both macro and micro factors influence EHO, which should be both included in any EHO study."* Verification of this argument can be seen in the average EHO ages identified for the two countries, which are 36.79 and 34.95 for Turkey and the Netherlands, respectively. The difference of almost two years would statistically be accepted as very close to each other, and could

easily lead to an inaccurate conclusion that "in the two countries, EHO is realized in very similar EHO processes". This two-year difference is identified as a problem of "Late ownership" in the study for Turkey, considering its relatively younger population (population factor) and prevalent Hh formation at a later stage of life (demographic factor). Therefore, the effects of Hh attributes (like HHh age in this example), should be examined together with macro factors (like population), and vice versa. Only in this manner can the complexities of the EHO process be revealed. The EHO ages identified for the countries appear to result from a combination of macro (such as population and demographic factors) and micro (HHh age) factors, which evolve in time and space.

The third argument of the Introduction Chapter was that an *"EHO analysis helps to elaborate and monitor housing systems, to identify problems and thus to evaluate policy implications in housing systems."* As EHO is accepted as a multi-dimensional process, any changes in the mentioned factors could have considerable outcomes. Assume for instance a change in the average EHO age occurs, making earlier OO possible in the two countries. Despite generalized hypothetical tendencies, such a change would have completely different repercussions in either case: In Turkey, the level of new construction would accelerate substantially as the proportion of young population in the whole population is considerably high, leading to a higher demand for housing. In the Netherlands, on the other hand, the new construction level would be relatively lower, as the total population and the share of young people are also lower in the country when compared to Turkey. In the Netherlands, the relatively smaller demand for earlier OO could also be met through the sale of public rental stock, rather than through new constructions. Furthermore, striking policy changes would be required, especially in terms of rent allowances, which could affect Dutch macro economics since rent allowances comprise a significant share of the national budget.

Similarly, assume that the average Hh size is increased to five in the two countries, from 4 in Turkey, and from 2.54 in the Netherlands (Section 5.2.2). Retaining all the other variables, this would mean an almost doubling of the current average in the Netherlands, and thus such an increase would decrease residential satisfaction sharply as the "persons per room" ratio would also almost double, to 1.196. The same ratio

would be 1.25 in Turkey, leading to a smaller decrease in residential satisfaction. The severe need for larger dwellings would be met in the first step by the current availability of dwellings with five or more rooms (36.71 %) in the Dutch housing stock. This would mitigate the seriousness of such a scenario.

However, although an increase from four to five in Turkey would also lower residential satisfaction, the effect would not be as strong as in the Dutch case. Recalling "Inmates" as one of the significant EHOPs identified for Turkey, living in overcrowded units would not necessarily lead to much discomfort. In terms of housing stock, in order to decrease the adverse effects of such a scenario, the Turkish-dominant three and four-room housing typology, would also not suffice; and more dwellings of larger size in the stock would be required. It should be noted that a more diversified Dutch housing stock would be steadier, even in the case of such a radical change in the Hh size average. If the scenario is changed to a near doubling of the average Hh size for Turkey (from four to eight), then the housing need would necessitate extensive renovation and new construction, and even demolition, on a large scale.
The study supports the research arguments of the Introduction, while also providing satisfactory answers to the research questions[5] of Chapter 4. For the national level research questions[6], as a result of the analysis it could be stated that EHO is influenced by numerous factors, one of which is the Hh life-cycle events. EHO is dependent on Hh life-cycle events, and yet it is realized at different stages in the two countries. This is mostly dependent on macro and micro conditions. Lastly, the desire for home ownership could not be argued to be as valid in the Netherlands as strongly as it is in Turkey.

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[5] Questions were first introduced in Section 1.2 and then discussed in detail and further developed in Sections 4.3.1 and 4.3.2.

[6] (Questions I. and II (When is home ownership realized in the course of a Hh's life? Do life-cycle events influence EHO? II. What factors affect the process of entry to home-ownership? Are those common conditions valid for Hhs in Turkey and in the Netherlands in EHO?), Question III. (Why is home-ownership such a desired tenure type? Is it a world wide valid belief?).

Similarly, for the research questions of the second level (case study of Ankara-ROA)[7] remarkable results were obtained. In Ankara, housing policies and macro conditions have led to OO ambitions in society, affecting Hh tenure choices. In ROA, however, the households are found not to put much emphasis on OO as an investment. Triggers such as spatial discomfort, Hh size increases, Hh events like marriage and childbirth and rises in income are found to be influential in EHO. Although common in general terms, the two cases could be differentiated from each other as "In ROA EHO is triggered mostly due to Hh events and spatial discomforts, whereas financial issues play a major role in Ankara." In most cases, the main motives stem from financial concerns, such as decreasing housing costs and building financial securities in Ankara.

6.3 CONCLUSIONS

These examples from the findings of the contextual and empirical comparisons of the two countries support the primary arguments of the study (Section 1.2). Similarly, satisfactory and convincing answers to the research questions (Section 4.3) could be developed, despite the difficulties inherent in the data sets. The results of the regression analysis prove that considerable ratios of variance could be explained by the models employed (up to 71,6 % for Turkey, up to 78,2 % for the Netherlands; up to 66,6 % for Ankara and up to 81,4 % for ROA). Still, some elements of EHO could not be modelled using these statistical techniques. This is mostly because Hhs may easily behave in sentimental, unpredictable and irrational ways. The ratios of unexplained variances in the models are higher in Turkey and Ankara, and lesser in the

[7] Questions IV. V and VI.(What is the relative significance of factors in EHO in Ankara and ROA?, V What changes in Hh and housing attributes are observed after the EHO move? and VI. What are the relative significances of factors in EHO in Ankara and ROA?

Netherlands and ROA. As also stated in Section 5.4., strong government regulations that have been implemented for decades make it easier to model EHO in the Netherlands when using statistical techniques. In the ambiguous housing system of Turkey, Hhs could develop individual paths for EHO, which makes it more difficult to be modelled using statistic techniques that depend on generalizations.

The techniques employed here mostly point to correlations among factors that make EHO possible in significant numbers, and therefore depend on general tendencies in the two countries, excluding the exceptional cases and outlier groups. Even in the most homogenous societies there would be outlier, marginal groups, or irrational Hhs which are unable to be assessed using statistical techniques. This, however, should be considered as challenging and a motivation for further studies into EHO.

However, the aim was not to model the EHO process perfectly through these statistic techniques, as Hhs cannot be assumed to behave rationally all the time. In Section 4.1.2, it was argued that contingencies could be explanatory, as with generalizations, and the EHO process does not involve necessary relations, but rather relies on contingent relations. Furthermore, it was assumed that housing choice is realized within a bounded rationality, and that Hhs may act without full and correct information of the housing market. Even if information barriers are eliminated, they may still make irrational and emotional choices. Therefore the EHO analysis in this study highlighted the differences of sub-groups in the whole samples when necessary throughout the study, such as focusing on elderly non-owner occupiers in the Netherlands, or the three groups of HHh age for Turkey – Section 5.2.1.

6.3.1. Contributions and limitations of the study

EHO is a multidimensional process in which both macro and micro factors are influential. Directly or indirectly, the process involves all Hhs and the entire housing stock in a housing system. Due to this complicated nature, in this thesis EHO was considered to offer opportunities for explaining the hidden relations and revealing the background links between the numerous entities and actors in a housing

system. The EHO analysis of the study revealed the embeddedness of the EHO process in the two countries; and it is argued that by putting EHO as a leverage point, housing systems could be comprehended better, owing to the multi-dimensional structure of EHO. This way of conceptualizing home ownership at the core of housing systems opens up opportunities for planners to analyze housing systems, identify problems and develop effective solutions. The EHO analysis is proposed to be employed as a means for identifying problems, and to offer guidelines for policy design. The EHO analysis of the study revealed background links between the macro and micro relations, how they are correlated and their far-reaching results. In this sense, EHO is realized as a result of a combination of these factors in given time and space contexts.

The comparative study points out remarkably the significance of the EHO analysis. The deliberate selection of two extreme cases (Turkey vs. the Netherlands) made it possible to elaborate the EHO process effectively. The Ankara-ROA comparison, generally speaking, supports the national level differences between the two countries in EHO.

This thesis refers to the need for more consistent data sets, and this shortage of housing data in Turkey has previously been discussed by Sarıoğlu (2007c) and Balamir (1985). The main limitations in the study have arisen in the empirical part due to the absence of convenient data sets, which prevented a retrospective analysis to trace housing careers. Another limitation stems from the comparative study, which limited the full employment of the potentials of the data sets in the two cases. In order to ensure the methodologies of the two cases are in parallel, not all the potentials of the data sets were utilized.

6.3.2. For Further Research

As a part of housing research, studies into EHO inherently require analyses for different spatial levels, such as neighbourhoods, districts and metropolitan agglomerations. In this study only national and metropolitan levels could be carried out, yet studies into other levels may provide further insight into the EHO analysis, since local attributes would be included as well.

Additionally, this study has revealed a need for the design of appropriate data sets that would make new methods available for studies into EHO, such as longitudinal research. Similarly, data that provides retrospective information on housing and Hh attributes for the same households, or data provided through in-depth interviews, could enhance future EHO analyses. The social meaning of OO, for instance, could not be studied thoroughly due to the absence of appropriate data; and likewise an EHO analysis of the study could not include the spatial differences found in different neighbourhoods within a metropolitan area due to the absence of such data.

New issues arose throughout the course of the study that may warrant additional analysis, one such issue being the EHO process for Hhs living in gecekondus in Turkey. As a specific group, the EHO process experienced by gecekondu dwellers would more likely expose a new set of factors and relations. High income but non-owner occupier Hhs could be another sample worth looking into to enhance this EHO analysis. In the Netherlands, similarly, a comparative study between "Hhs who purchased their rented dwellings" and "Hhs who did not" calls further studies in elaborating the EHO process; or Hhs who have no preference between buying or renting could be another significant aspect of the EHO process. The number of specific groups for which extra analysis may be needed could rise, however these lie beyond the scope of this study, as they may require further methodological frameworks, different data sets and even different literature surveys.

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APPENDICES

APPENDIX A: DEFINITIONS

APPENDIX B: DATA FOR TURKEY AND THE NETHERLANDS: HBS, WBO, WOON AND ANKARA SURVEY

APPENDIX C: HOUSING BENEFITS IN THE NETEHRLANDS

APPENDIX A

DEFINITIONS

Case specific propositions: In this study, hypotheses in previous literature are refined into propositions that include the contextual differences of the cases compared. Thus, they represent the differences between the two case countries in a more concrete way and successfully contextualize them. The result is a more topic-oriented and sophisticated proposition than the general higher-level hypotheses found in earlier literature. "Case specific propositions" are deliberately not referred to as such, since the term "hypotheses" invokes certain expectations of natural sciences and grand theory understandings.

Case-specific propositions are developed for use in policy development, rather than for testing with statistical models, which would be the case if they were hypotheses. They are already formulated out of the contextual comparison in Chapter 3, and thus involve more information on the cases. Descriptive statistics and cross tabulations are used to demonstrate the validity of the case-specific propositions. Like the theoretical hypotheses, case specific propositions also include the expectations of the author for any given situation.

To give an example, the general hypotheses relate several household characteristics and housing stock features to owner occupancy (OO). They may be tested for both Turkey and the Netherlands and take the form, for instance:

- "If the income of the household increases, the likelihood that the household will be an owner-occupier also increases".

Such a hypothesis could easily be tested with a binary choice model. For "Case-specific propositions", however, arguments are developed based

on the contextual comparison, and are valid only for the case countries. They are formulated similar to the following form:

- "Since Turkish people form private households at later ages than Dutch people, they may also begin their housing careers at older ages. This also may lead to "late ownership" in Turkey when compared to the Netherlands. However, since the first marriage age is lower in Turkey, this may not necessarily happen".

Housing stock efficiency: Efficiency is defined as "the state or quality of being efficient" in the Concise Oxford English Dictionary[1]. An "efficient housing stock" therefore refers to the conditions in a housing stock where the dwelling units are occupied at a comfort density; where there are no under-utilized or overcrowded units. This reflects an ideal situation, and yet in achieving housing stock efficiency, the intention is to decrease the number of both under-utilized and overcrowded units in a housing stock. One role of planning, as Oxley (2004:45) denotes, is to promote a more efficient use of resources in a variety of ways, including new institutional arrangements, new patters of property rights, new fiscal instruments, etc.

Inflexible housing market: Allocations of goods and services are generally made either by governments or under free market forces; and both have their own problems and potentials. The operation of the housing and land markets is subject to the problems of a market-based system: externalities, inefficiencies, inflexibilities and stagnancies. Government allocations can fail, just as market allocations can, and the supremacy of one over the other depends on specific circumstances

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[1] "efficiency *n.*" *The Concise Oxford English Dictionary*, Twelfth edition . Ed. Catherine Soanes and Angus Stevenson. Oxford University Press, 2008. *Oxford Reference Online.* Oxford University Press. Middle East Technical University. 12 March 2009 <http://www.oxfordreference.com/views/ENTRY.html?subview=Main&entry=t23.e17700>

(Oxley, 2004:84). Generally speaking, extensive and long-term government regulation in housing leads to stagnancies and inflexibilities in the operation of the market since there are regulations restricting the moves of actors (as opposed to the basic assumptions of market operation). However, a situation of only market forces in housing could also fail, primarily because housing is a special/peculiar good which requires some sort of public control for equity concerns.

The term flexibility in this study refers to quick and easily modifiable answers to the changing demands in the housing stock. Inflexibility thus refers to the opposite, where the demands of the households can not quickly be met.

Housing system: The market, central and local administration powers which in combination result in the housing outcomes.

Home ownership: Home ownership in this study refers to "owner occupation", although owner occupation normally refers to cases in which the owner himself inhabits his/her own dwelling. For the exceptional uses of home ownership, that is when it refers to ownership of a dwelling unit other than the inhabited one, footnotes are provided throughout the study. Home ownership rate/ratio in this study refers to the ratio of owner occupied households (Hh)/dwellings.

EHO: The process through which Hhs become owner occupiers.

EHOP: Paths followed by Hhs in order to become owner occupiers, depending on the housing systems, Hh and housing stock attributes.

Overcrowding: In the Oxford Dictionary of Law[2], overcrowding is defined as "For statutory purposes a dwelling is overcrowded when two or more people of opposite sexes over the age of ten, and not married to one another or cohabiting, are obliged, because of lack of space, to sleep in the same room. There is also a test for overcrowding based on the

[2] "overcrowding n." Oxford Dictionary of Law. Ed. Elizabeth A. Martin and Jonathan Law. Oxford University Press, 2006. Oxford Reference Online. Oxford University Press. Middle East Technical University. 12 March 2009 <http://www.oxfordreference.com/views/ENTRY.html?subview=Main&entry=t49.e2738>

number of people living in the dwelling compared with the number of rooms and the floor area of those rooms. Local authorities have a duty to prevent overcrowding and can take action against an owner occupier, a landlord, or a tenant." In this study, it refers to densely populated dwelling units, generally measured by number of persons per room. Overcrowding depends on cultural and social life, what are considered densely populated dwellings in one country may be accepted as comfortable in another.

Under utilization: The term under utilization implies a low-density populated dwelling unit, and is opposite to overcrowding. Similarly, under utilization can be measured according to the "number of persons per room". In this study, the term does not refer to the under utilization of the housing stock as a whole.

APPENDIX B

DATA FOR TURKEY AND THE NETHERLANDS: HBS, WBO, WOON AND ANKARA SURVEY

B.1. DATA FOR NATIONAL LEVEL:

B.1.1. Turkey: Household Budget Survey (HBS 2003)

The primary source of statistical data in Turkey is Turkstat. Although data sets provided by Turkstat are numerous, there is no specific data available for research on housing. However, there are several related data sets which may be employed for housing researches (Sarıoğlu, 2007c).

Table B.1: Available Data Sets for Housing Research: Information on Periods, Estimate Level and Variables

Data	Periods	Estimate level	Variables
General Population Census	1927, 1935,1940, 1945, 1950, 1955, 1960, 1965, 1970, 1975, 1980, 1985, 1990, 2000	NUTS 3 (81 provinces)	Tenure types, number of rooms, facilities of the dwelling, reasons to migrate, Hh size, age of the HHh, sex of HHh, employment status etc.
Construction permit (Yapı Ruhsatı) Statistics	Since 1954, annually	NUTS 3 (81 provinces)	Number of dwellings
Building Census	1965, 1970, 1984, 2000	Turkey, Provinces, municipalities, neighbourhoods	Number of storeys, number of houses, apartment units etc.
Household Income and Consumption Expenditures survey (HICES)	1987, 1994	Turkey, Urban-Rural, several Provinces	Size of the dwelling, number of rooms, tenure, age of the HHh, income and employment status, number of children

Household Budget Survey (HBS)	2000, 2001, 2002, 2003, 2004, 2005	Turkey, Urban-Rural	etc.
Turkey Housing Research	1999	Turkey, seven geographical regions, Urban-rural, nine province centres.	

Source: Sarıoğlu, 2007c.

Among the available data in Turkey one significant source is the survey samplings of the Household Expenditure and Consumption Survey,[1] which included "housing" as one of the consumption goods. There are also several other supplementary sources, such as Building Censuses and Population Censuses, etc., which provide periodical information on tenure status, housing features, Hh size etc. Among the data available in Turkey, the Household Budget Survey (HBS) is considered to be the most suitable data set to be employed, since it provides the basic requirements of the research aims.

The HBS has two main parts: firstly, information on the basis of the Hh (Hh data), and secondly, unit of data of each individual in the Hhs (individual data). Most of the variables in this thesis are taken from the household part. Only information on the variables of "age of the householder" and "income of the householder" is acquired from the "individual data".

B.1.2. The Netherlands: Housing Demand Survey (2002) WoningBehoefte Onderzoek (WBO)

The Dutch Housing Demand Survey is a periodical survey that has been carried out every four years since 1964, specifically designed to record the previous and current housing and household attributes and demands for future moves of the Hhs. Based on a large sample of over 75,000 households, the WBO was the source of housing data in the Netherlands

1 Carried as Household Budget Survey annually since 2002.

until 2002. In 2006, the WBO was replaced by another survey, called the Het Woononderzoek Nederland (WoON), which is carried out using a very similar questionnaire[2].

The WBO is a more developed and specific housing survey, which makes it better than the Turkish case. The number of respondents is also higher (75,000/7,200,000 households). The WBO enables studies on different spatial levels, such as municipal, city, region and urban agglomerations, urban-rural differentiation, etc.

B.1.3. Compatibility of the Two Data Sets

The WBO is already a housing survey with a detailed and comprehensive questionnaire, while the HBS is a budget survey that also contains information on Hh and dwelling unit attributes. Both surveys provide similar variables, depending on which an EHO comparison can be made. Both the surveys are carried out on a periodical basis, and thus data referring to similar dates in the two countries may be acquired: 2003 for HBS, 2002 for WBO.

One major difference between the HBS and WBO lies in their urban-rural conceptualizations. In the HBS, there are two levels of urbanization degrees: urban and rural. This is determined only according to the population criterion. However, in the WBO, the urbanization level used is based on the classification of the Central Statistics Bureau (Centraal Bureau voor Statistiek-CBS), which is calculated by the number of addresses/km^2. Accordingly, there are five classes:[3]

– Very strongly urban (2,500 or more);
– Strongly urban (1,500 to 2,500);
– Moderate urban (1,000 to 1,500);
– Little urban (500 to 1,000);

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[2] http://www.vrom.nl/pagina.html?id=9757&term=wbo (accessed on 26.02.2009)
[3]http://www.cbs.nl/nl-NL/menu/_unique/_concept/default.htm?postingguid={E52595F3-B9D4-4875-9784-0B3DEAFBDE03}&concept=Stedelijkheid (accessed on 26.02.2009)

– Not urban (less than 500).

In this study, urban classes 1–4 are selected from all the Dutch data sets (WBO 2002 and WoON 2006) in order to cover urban areas. Unless otherwise stated, in this study all Dutch figures represent urban areas (classes of 1, 2, 3 and 4). Similarly, from the HBS, all rural cases are eliminated.
Finally, the HBS, WBO and WoON surveys have "weight factors" which could be used to represent the country level, however none of these were employed in the study. Therefore, the figures represent only the associated samples: 18,278 Turkish households in HBS 2003; 63,233 Dutch households in WBO 2002.
These two surveys have sufficient compatibility to carry out an EHO analysis.

Table B.2: Tenure type in Urban Turkey		
	Frequency	**Valid Percent**
Owner occupier	11859	64,9
Renter	5089	27,8
Public accommodation	259	1,4
Not owner but not paying rent	1071	5,9
Total	18278	100,0
Source: Processed from HBS 2003 Raw data.		

Table B.3: Frequency of NUTS 2 spatial units in urban Turkey		
	Frequency	**Valid Percent**
TR10 Istanbul	2572	14,1
TR21 Tekirdağ	521	2,9
TR22 Balıkesir	557	3,0
TR31 İzmir	1523	8,3
TR32 Aydın	540	3,0
TR33 Manisa	644	3,5
TR41 Bursa	1182	6,5
TR42 Kocaeli	466	2,5
TR51 Ankara	1296	7,1

TR52 Konya	857	4,7
TR61 Antalya	701	3,8
TR62 Adana	1247	6,8
TR63 Hatay	430	2,4
TR71 Kırıkkale	431	2,4
TR72 Kayseri	593	3,2
TR81 Zonguldak	528	2,9
TR82 Kastamonu	322	1,8
TR83 Samsun	430	2,4
TR90 Trabzon	737	4,0
TRA1 Erzurum	124	,7
TRA2 Ağrı	214	1,2
TRB1 Malatya	432	2,4
TRB2 Van	374	2,0
TRC1 Gaziantep	482	2,6
TRC2 Şanlıurfa	645	3,5
TRC3 Mardin	430	2,4
Total	18278	100,0
Source: Processed from HBS 2003 Raw data.		

Table B.4: Frequency and Percentage of Tenure types in Urban Netherlands		
	Frequency	**Valid Percent**
Owner occupied	33824	53,5
Non owner occupied	29409	46,5
Total	63233	100,0
Source: Processed from WBO.		

Table B.5: Frequency and Percentage of Municipalities in Urban Netherlands

	Frequency	Valid Percent
Appingedam	63	,1
Bedum	48	,1
Delfzijl	150	,2
Groningen	902	1,4
Haren	71	,1
Hoogezand-Sappemeer	119	,2
Leek	73	,1
Almere	1177	1,9
Stadskanaal	133	,2
Veendam	109	,2
Zeewolde	125	,2
Skarsterlan	102	,2
Winschoten	77	,1
Bolsward	44	,1
Franekeradeel	90	,1
Harlingen	61	,1
Heerenveen	172	,3
Leeuwarden	404	,6
Lemsterland	56	,1
Smallingerland	234	,4
Sneek	134	,2
Weststellingwerf	101	,2
Assen	344	,5
Emmen	572	,9
Hoogeveen	320	,5
Meppel	204	,3
Almelo	248	,4
Borne	64	,1
Deventer	427	,7
Enschede	576	,9
Haaksbergen	84	,1
Hellendoorn	134	,2
Hengelo Ov	291	,5
Kampen	163	,3
Losser	74	,1
Noordoostpolder	342	,5
Oldenzaal	96	,2

Raalte	117	,2
Rijssen	120	,2
Steenwijk	149	,2
Urk	96	,2
Vriezenveen	98	,2
Wierden	73	,1
Zwolle	415	,7
Aalten	71	,1
Apeldoorn	649	1,0
Arnhem	551	,9
Barneveld	148	,2
Bemmel	134	,2
Beuningen	82	,1
Borculo	38	,1
Brummen	77	,1
Culemborg	558	,9
Didam	50	,1
Dinxperlo	27	,0
Doesburg	37	,1
Doetinchem	171	,3
Druten	587	,9
Duiven	87	,1
Ede	652	1,0
Eibergen	59	,1
Elburg	72	,1
Epe	107	,2
Ermelo	90	,1
Gendringen	72	,1
Groenlo	32	,1
Groesbeek	71	,1
Harderwijk	533	,8
Hattem	40	,1
Heerde	60	,1
Heumen	56	,1
Lichtenvoorde	65	,1
Lochem	73	,1
Millingen aan de Rijn	24	,0

Neede	41	,1
Nijkerk	124	,2
Nijmegen	648	1,0
Oldebroek	64	,1
Putten	66	,1
Renkum	101	,2
Rheden	172	,3
Rozendaal	5	,0
Scherpenzeel	31	,0
Tiel	597	,9
Wageningen	132	,2
Warnsveld	30	,0
Westervoort	57	,1
Winterswijk	101	,2
Wisch	62	,1
Wijchen	127	,2
Zaltbommel	560	,9
Zevenaar	98	,2
Zutphen	139	,2
Nunspeet	79	,1
Dronten	273	,4
Abcoude	21	,0
Amerongen	21	,0
Amersfoort	476	,8
Baarn	87	,1
De Bilt	155	,2
Breukelen	43	,1
Bunnik	38	,1
Bunschoten	51	,1
Doorn	28	,0
Driebergen-Rijsenburg	62	,1
Eemnes	33	,1
Houten	123	,2
Leersum	24	,0
Leusden	94	,1
Maarssen	135	,2
Montfoort	39	,1
Rhenen	50	,1

Soest	171	,3
Utrecht	1295	2,0
Veenendaal	188	,3
Woudenberg	37	,1
Wijk bij Duurstede	69	,1
IJsselstein	112	,2
Zeist	611	1,0
Nieuwegein	639	1,0
Aalsmeer	74	,1
Alkmaar	358	,6
Amstelveen	260	,4
Amsterdam	2962	4,7
Beemster	25	,0
Bennebroek	14	,0
Bergen NH	113	,2
Beverwijk	129	,2
Blaricum	28	,0
Bloemendaal	54	,1
Bussum	105	,2
Castricum	122	,2
Diemen	73	,1
Edam-Volendam	82	,1
Enkhuizen	61	,1
Haarlem	548	,9
Haarlemmerliede	18	,0
Haarlemmermeer	378	,6
Heemskerk	125	,2
Heemstede	94	,1
Heerhugowaard	146	,2
Heiloo	75	,1
Den Helder	220	,3
Hilversum	308	,5
Hoorn	241	,4
Huizen	145	,2
Landsmeer	26	,0
Langedijk	80	,1
Laren	36	,1

Medemblik	22	,0
Naarden	1	,0
Oostzaan	25	,0
Ouder-Amstel	47	,1
Purmerend	253	,4
Schagen	64	,1
Uitgeest	39	,1
Uithoorn	96	,2
Velsen	227	,4
Weesp	66	,1
Zandvoort	51	,1
Zaanstad	408	,6
Alblasserdam	57	,1
Alkemade	39	,1
Alphen aan den Rijn	296	,5
Barendrecht	112	,2
Bergschenhoek	35	,1
Berkel en Rodenrijs	51	,1
Bleiswijk	29	,0
Bodegraven	62	,1
Boskoop	47	,1
Brielle	45	,1
Capelle ad IJssel	219	,3
Delft	582	,9
Dordrecht	422	,7
Gorinchem	161	,3
Gouda	624	1,0
s-Gravendeel	39	,1
Den Haag	2582	4,1
s-Gravenzande	96	,2
Hardinxveld-Giessendam	69	,1
Hellevoetsluis	138	,2
Hendrik-Ido-Ambacht	63	,1
Stede Broec	71	,1
Hillegom	76	,1
Katwijk	119	,2
Krimpen ad IJssel	85	,1
Leerdam	779	1,2

Leiden	1368	2,2
Leiderdorp	89	,1
De Lier	67	,1
Lisse	77	,1
Maasland	41	,1
Maassluis	118	,2
Middelharnis	68	,1
Monster	117	,2
Moordrecht	26	,0
Naaldwijk	171	,3
Nieuwerkerk ad IJssel	68	,1
Nieuwkoop	43	,1
Nieuw-Lekkerland	34	,1
Noordwijk	79	,1
Noordwijkerhout	64	,1
Oegstgeest	71	,1
Oud-Beijerland	108	,2
Oudewater	32	,1
Papendrecht	99	,2
Reeuwijk	33	,1
Ridderkerk	591	,9
Rotterdam	2807	4,4
Rozenburg	38	,1
Rijnsburg	40	,1
Rijswijk	851	1,3
Sassenheim	41	,1
Schiedam	307	,5
Schipluiden	67	,1
Schoonhoven	43	,1
Sliedrecht	75	,1
Cromstrijen	59	,1
Spijkenisse	256	,4
Albrandswaard	56	,1
Strijen	32	,1
Valkenburg	11	,0
Vianen	80	,1
Vlaardingen	612	1,0

Voorhout	46	,1
Voorschoten	65	,1
Waddinxveen	76	,1
Warmond	16	,0
Wassenaar	63	,1
Wateringen	81	,1
Woerden	174	,3
Zoetermeer	615	1,0
Zoeterwoude	30	,0
Zwijndrecht	150	,2
Nederlek	47	,1
Ouderkerk	22	,0
Axel	97	,2
Goes	186	,3
Hulst	160	,3
Kapelle	64	,1
Middelburg	328	,5
Terneuzen	280	,4
Vlissingen	350	,6
De Ronde Venen	112	,2
Asten	54	,1
Bergen op Zoom	229	,4
Best	104	,2
Boxmeer	90	,1
Boxtel	104	,2
Breda	615	1,0
Deurne	118	,2
Dongen	96	,2
Eindhoven	846	1,3
Etten-Leur	129	,2
Geertruidenberg	73	,1
Geldrop	103	,2
Gilze en Rijen	88	,1
Goirle	74	,1
Grave	32	,1
Helmond	277	,4
s-Hertogenbosch	482	,8

Heusden	137	,2
Hilvarenbeek	56	,1
Loon op Zand	81	,1
Mierlo	33	,1
Nuenen ca	82	,1
Oirschot	57	,1
Oisterwijk	77	,1
Oosterhout	206	,3
Oss	216	,3
Rucphen	65	,1
Schijndel	77	,1
Sint-Michielsgestel	101	,2
Sint-Oedenrode	59	,1
Someren	60	,1
Son en Breugel	51	,1
Steenbergen	79	,1
Tilburg	796	1,3
Uden	120	,2
Valkenswaard	115	,2
Veghel	113	,2
Veldhoven	145	,2
Vught	83	,1
Waalre	47	,1
Waalwijk	155	,2
Werkendam	73	,1
Woensdrecht	77	,1
Wormerland	52	,1
Landgraaf	131	,2
Beek	55	,1
Beesel	42	,1
Brunssum	107	,2
Echt	66	,1
Eijsden	38	,1
Gennep	51	,1
Heerlen	359	,6
Helden	60	,1
Kerkrade	168	,3

Maastricht	534	,8
Meerssen	64	,1
Roermond	173	,3
Simpelveld	41	,1
Stein	84	,1
Swalmen	34	,1
Vaals	32	,1
Venlo	1285	2,0
Venray	128	,2
Weert	174	,3
Valkenburg aan de Geul	66	,1
Lelystad	548	,9
Horst aan de Maas	96	,2
Gemert-Bakel	91	,1
Halderberge	81	,1
Heeze-Leende	40	,1
Laarbeek	74	,1
Rijnwoude	75	,1
Roosendaal	274	,4
Cuijk	90	,1
Noordenveld	161	,3
Cranendonck	65	,1
Moerdijk	131	,2
Drimmelen	81	,1
Bernheze	95	,2
Bladel	57	,1
Overbetuwe	117	,2
Hof van Twente	111	,2
Sittard-Geleen	337	,5
Zwartewaterland	61	,1
Leidschendam-Voorburg	481	,8
Pijnacker-Nootdorp	116	,2
Total	63233	100,0
Source: Processed from WBO.		

B. 2. DATA FOR CASE STUDY: ANKARA SURVEY (2007-8) AND WOON 2006

B.2.1. Ankara Survey[4]

The Ankara survey is the second phase of a previous survey which was carried in 1984. In 2007, within the same addresses in urban Ankara, the survey was again carried with a larger sampling and a developed questionnaire. The initial preparations of the survey began in the 2000-2001 CRP Planning Studio course, funded by the Middle East Technical University (METU) Scientific Research Projects (SRP). The project team was composed of Prof. Dr. Murat Balamir (Project leader), and research assistants G. Pelin Sarıoğlu and Ö. Burcu Özdemir Sarı from the METU Faculty of Architecture, Department of City and Regional Planning. The survey is composed of four successive SRP projects, beginning in 2002 and culminating in 2008. The four projects covered the implementation of the survey, computational recoding of the data, GIS computation of the survey and maintenance to ensure conformity with the previous data. The surveyors were educated by the project team and checks were carried out during the field study.

From the Land Registry Office an additional sample was formed by selecting every 20th registry from the registrations dated from 1986 until 2002 in the associated deed offices. The sampling is done only for titles registered under Flat Ownership Law, and as such does not cover all the residential areas, but rather excludes parts such as unauthorized housing or mass housing, etc. This indirectly means that the sampling refers mostly to the central residential areas, but not the outskirts or the suburbs. Together with the previous addresses, a sample of 945[5] (buildings) was formed, which was decreased to 881 at the end after subtracting the non-residential uses. This means a potential 10,821 dwelling units-Hhs were covered in the survey.

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[4] Ankara survey is described in detail since it is not a survey of Turkstat. This is why possible biases are investigated only for Ankara survey, as well.

[5] 552 (previous sampling) + 139 (Yenimahalle) + 149 (Çankaya) + 75 (Keçiören) + 30 (Altındağ) = 945.

The rate of return in Ankara Survey was satisfactory enough to carry out an EHO analysis. Out of almost 8,000 questionnaires distributed, only 1,953 were collected in the end. From that group, surveys containing typing mistakes, which create inconsistencies; and surveys with too much missing information, especially in the basic variables like householder age, were eliminated. Afterwards a consistency check was carried out. In doing so, a cross check of a number of variables, such as tenure type, number of rooms and dwelling size, which are asked numerous times in the questionnaire, was carried out. After this further elimination, the number of total cases then decreased to 1,915.

There are two survey sheets, one for home owners, comprising 71 questions in eight pages; and one for renters, comprising 65 questions in seven pages. Both questionnaires included a general part, in which households are asked basic information, such as income, age of the household, number of rooms etc. The questionnaires continue with specific questions regarding tenure types (i.e. owner occupiers or renters), when the dwelling unit was bought for owners, and the amount of rent paid for the renters.

The sheets were delivered to pre-determined addresses by the interviewers and then collected three days later. The questionnaire, of mostly multiple choice questions, is to be filled in by the householder. This method was deliberately chosen as the questionnaire is long; and the householder is given the time to think it over and fill it in. However, these methods of implementation lead to biases in the returned questionnaires, in the sense that it was mostly owner occupiers that returned the completed questionnaires[6]. As a result, the ownership ratio in the Ankara survey is found to be slightly higher than the real situation (66 % rather than 62 % in HBS 2003). In five years, from 2003 to 2008, the home ownership rate could reach 66 %, a 4 % increase. However,

[6] That home owners volunteer to take part in social neighbourhood projects was elaborated in 2.3.3.

considering that the Ankara survey covers only apartment stock, which is characterized with private renting, the home ownership rate could be expected to be *lower* in the Ankara survey. This may reveal a bias in terms of home ownership rates in the Ankara survey.

The frequency tables reveal that although the sampling has been done in an unbiased way, due to the method of survey implementation and return process of the questionnaires, the Ankara survey has biases in terms of the age of stock (construction year) and the home ownership rate. However, as the Ankara-ROA comparative analysis covers (1) the triggers before EHO, and (2) the changes after the EHO move, these biases could be argued not to lead invalid results. No matter what the real home ownership rate is in Ankara, the households in the sample made their EHO moves according to those triggers, and after the EHO move the mentioned changes are observed.

Further considering the benefits of employing the Ankara survey, the possible adverse effects of biases could be out-weighed. Firstly, this survey provides useful information and makes up some deficiencies in the HBS data, which primarily lacks information on the **life-cycle events**, which are a crucial factor in entry to home ownership. Secondly, employing the HBS does not allow for the examination of conditions in which Hhs first enter owner occupation (**triggers**), and what this moves brought in terms of spatial and household status. Additionally, there is no opportunity within the HBS data for analyzing **the meaning** of home ownership, and so the survey questionnaire for Ankara includes additional questions to gain an understanding of this. The survey provides us with information on **occurrence of previous Hh life-cycle events,** such as first owner occupation, marriage, divorce, childbirth, increases in the total income of the Hh, changes in work status, etc. With these additional questions, it will be possible to answer questions such as whether entry to home ownership is realized *prior to* or *after* changes in the Hh status, whether OO brings extra space and comfort, and whether EHO is associated with Hh events or financial circumstances alone. This study could not have been carried out (at least not to this accuracy) using HBS data alone, because the attributes of previous and current Hhs and housing are not included.

In addition to the Hh characteristics, residential satisfaction about the previous dwelling and the neighbourhood can be influential in EHO as well. For this purpose, the Ankara survey contains questions related to the **physical characteristics of the previous/current dwellings** (Number of rooms, area (m^2), rent, type of the dwelling etc.); and the **characteristics of the previous/current neighbourhoods** (Cleanliness, traffic, security, distance to job, distance to city centre etc). Furthermore, a question directly oriented to determine whether Hhs make moves as a result of dissatisfaction with the previous dwelling/neighbourhood is included.

Thirdly, the Ankara survey provides information on what homeownership means to Hhs, and why they would like to become a home owner. The question is designed to understand how households consider OO, whether as a need, an investment or as a status indicator, or whether they favour it because of the security it provides, or having the opportunity to personalize/modify their dwelling in accordance with the needs of the Hh. This information makes it possible to examine the social meaning of home ownership in Turkey which is also not possible with the HBS.

B. 2. 2 WoON 2006[7]

WBO 2002 was the last recent Housing Demand survey before Minvrom began carrying out a new survey called WoON. WoON replaced not only WBO, but also the De Kwalitatieve WoningRegistratie (KWR), which was another survey on housing stock, comprising almost 15,000 buildings, and carried out every five years, the most recent being in 2000. WoON will be carried every three rather than four years (WBO), and the questions of WoON are almost identical to those used in the WBO, the intention being to keep the continuity of the previous WBOs. WoON is comparable with the WBO, in that is provides information on housing needs, quality of the house and moving preferences etc[8].

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[7] http://datawonen.nl/disco/ Accessed on 13.12.2008.

[8] vrom.nl/get.asp?file=docs/onderzoek/woon_nieuwsbrief_mei2005.pdf (accessed on 27.02.2009)

Since the Ankara survey is more recent than WBO 2002, for a better compatibility of the data sets, WoON 2006 is employed in Ankara-ROA comparison.

B.2.3.Number of Respondents, Spatial Coverage, Variables Employed, Tenure Type Frequencies for Ankara-ROA Samples

The Ankara survey was carried in urban areas and covers only the dwellings covered under the Flat Ownership Law, and so already covers urban areas. However, from the WoON data set for ROA, the ROA subgroup and also for the Netherlands, the urbanization level of five (niet stedelijk) are eliminated.

Table B.6: Population, Number of respondents and Valid Percentages of Districts in Ankara

Municipality	Population	Number of Respondents in Ankara survey	Valid Percentage
Altındağ	367,471	177	9,1
Çankaya	792,189	911	46,6
Keçiören	746,361	575	29,4
Mamak	497,699	92	4,7
Yenimahalle	614,778	198	10,1
TOTAL	3,018,498	1953	100,0

Source: Processed from Ankara Survey and Address Based Population Registration System 2007 (ABPR).

Table B.7: Frequency and Percentage Construction year of buildings in Ankara

	Frequency	Valid Percent
1960-1969	885	52,3
1970-1979	254	15,0
1980-1989	515	30,4
1990-1999	38	2,2
Total	1692	100,0
Missing	261	
Total	1953	

Source: Processed from Ankara Survey.

Table B.8: Population, number of respondents, valid percentages and urbanization levels for Urban ROA

Municapality	Population	Number of Respondents in WBO	Valid Percentage	Urbanization level
Aalsmeer	22,915	648	13,6	Weining stedelijk
Almere	175 007*	57	1,2	Sterk stedelijk
Amstelveen	78,866	641	13,4	Sterk stedelijk
Amsterdam	738,763	2070	43,4	Zeer Sterk stedelijk
Beemster	8,541	18	,4	Weining stedelijk
Diemen	24,049	39	,8	Sterk stedelijk
Edam/Volendam	28, 194	55	1,2	Matig stedelijk
Haarlemmermeer	127,750	275	5,8	Matig stedelijk
Landsmeer	10,315	23	,5	Weining stedelijk
Oostzaan	9,176	14	,3	Weining stedelijk
Ouder-Amstel	13,055	28	,6	Matig stedelijk
Purmerend	75,831	121	2,5	Sterk stedelijk
Uithoorn	26,763	67	1,4	Matig stedelijk
Waterland	17,266	34	.7	Weining stedelijk
Wormerland	15,765	36	.8	Matig stedelijk
Zaanstad	139,774	648	13.6	Sterk stedelijk
Zeevang	6,323	-		Niet stedelijk
TOTAL**	1,512,030	4774	100,0	

Source: Population figures are from http://www.stadsregioamsterdam.nl/aspx/get.aspx?xdl=/views/amsterdamnl/xdl/page&VarIdt=139&ItmIdt=76557 (1.january. 2004)
**Almere population for year 2005, http://statline.cbs.nl/StatWeb/publication/?DM=SLEN&PA=37259ENG&D1=0,22-24&D2=0&D3=1,22&D4=45-47&LA=EN&VW=T accessed on 02. 12. 2008*
*** Zeevang is not included in total figures since the urbanization level is 5 (niet stedelijk).*

Table B.9: Frequency and Percentage of Tenure types in Ankara		
	Frequency	**Valid Percent**
Owner-occupier	1268	66,3
Not owner but no rent	95	5,0
Renter	537	28,1
Lodging	5	,3
Other	7	,4
Total	1912	100,0
Missing	41	
Total	1953	
Source: Processed from Ankara Survey.		

Table B.10: Frequency and Percentage of Tenure types in ROA		
	Frequency	**Valid Percent**
Owner occupied	1669	39,6
Non owner occupied	2549	60,4
Total	4218	100,0
Missing	556	
	4774	
Source: Processed from WOON (ROA).		

Recalling one of the main assumptions of the study, it should be noted that ROA data refer only to cases with an urbanization level of 1–4 (excluding "not urban" cases).

Table B.11: Variables used from WoON and the Ankara Survey	
Ankara	**ROA**
Significance of OO (*Evsahipligi yonu*) (for owners)	Reason to buy the rented dwelling (*rgkoch1-rgkoch9*)
Desire to become owner occupier (*Ev sahipligi istegi*) (for renters)	Reason to move (*Redverh1*) Most important reason in move (*Belangre*) Was your previous dwelling the reason in the move (*Vredwon*) Composition of the Hh before the move (*Samhhv)*
Trigger in EHO (*Evsgec 1, Evsgec 2*) Triggers happened in EHO	Hh composition in five classes (*samhh5*)

HHh age (*hhr yas*)	Previous, current tenure type (*vhuko, huko*), desired next tenure type (*ghuko*)
HHh income (*gelir*)	HHh age (*lfthh*)
Hh size (*Hhh*)	HHh income (*inkmodal*)
Number of rooms (*oda sayisi*)	Hh size (*aantalp*)
Dwelling size (*yuzolcum*)	Number of rooms (*kamers*)
Construction year of the building (*bina yi*)	Dwelling size (*opptbin*)
Tenure type (*mülkiyet*)	Construction year of the building (*bjaar*)

B.3. DATA FOR SUB GROUPS IN CASE STUDY

From the case study (Ankara vs. ROA), a sub-group was formed in order to allow a deeper analysis. The two data sets (Ankara survey and WBO-ROA) were reduced in size to comprise only current owner occupiers. From that group, Hhs who were previously non-owner occupiers were selected so that the effect of triggers could be researched in the move. As a result of this sub-grouping the number of cases for Ankara reduced to 389 Hhs, and to 150 for ROA.

The sub-group from the Ankara data, like the original one, consists of the five district municipalities of the Ankara metropolitan region.

Table B.12: Frequency and Percentage of Districts in Ankara Metropolitan Region Sub Group

	Frequency	**Valid Percent**
Altindag	19	4,9
Çankaya	199	51,2
Keçiören	114	29,3
Mamak	14	3,6
Yenimahalle	43	11,1
Total	389	100,0

Source: Processed from Ankara Survey.

In the ROA sub-group, seven municipalities are not included due to the selection of huko=1 and vhuko=2. This reveals that there are no cases in those municipalities matching the selection criterion. The seven municipalities are: Diemen Landsmeer Oostzaan Ouder-Amstel Wormerland,Waterland and Zeevang.

Table B.13: Frequency and Percentage of Municipalities in ROA Sub Group		
	Frequency	**Valid Percent**
Almere	36	24,0
Aalsmeer	3	2,0
Amstelveen	14	9,3
Amsterdam	72	48,0
Beemster	1	,7
Edam-Volendam	1	,7
Haarlemmermeer	4	2,7
Purmerend	2	1,3
Uithoorn	1	,7
Zaanstad	16	10,7
Total	150	100,0
Source: Processed from WoOn (ROA).		

APPENDIX C[1]

C.1. HOUSING BENEFITS IN THE NETHERLANDS

Rent allowance, as the most important state housing budget item, amounts to some 1.5 billion Euro annually. In 2007, 1,033,043 Hhs received rent allowance, 68 % of which were on minimum income, and 63% were aged less than 65[2].

Table C.1 : Rent Subsidies

Single-person Hhs	Two-person Hhs	Three or more -person Hhs	Explanation
50 % Rent subsidy	50 % Rent subsidy for those aged 65 and older, and handicapped people	50 % Rent subsidy for those aged 65 and older, and handicapped people	For single- and two-person households, 50 % of the difference rent between 427.46 Euro and the liberalisation limit; for three or more person households 50 % of the difference between 458.32 Euro and the liberalization limit is rent subsidy.
		75 % rent subsidy	If the household consists of three or more persons, for rents up to 458.32 Euro, 75 % rent subsidy is valid.
75 % rent subsidy	75 % rent subsidy		If the household consists of one or two persons, for rents between 298.59–427.46 Euro, 75 % of the difference

[1] This section mainly draws data from Sarıoğlu, 2007. Internet sources are accessed between June 2006-July 2006.

[2] http://www.vrom.nl/pagina.html?id=37413 (accessed on 20.April.2009)

			between standard rent and actual rent is rent subsidy.
100 % rent subsidy	100 % rent subsidy	100 % rent subsidy	Rent subsidies given for rents more than standard rent, up to 298. 59 Euro
STANDARD RENT			Standard rent that the household ha to pay in accordance to its size, and income. This may be either 162.45; 164.27 or 166.08 Euro
Source: Prepared from information on www.vrom.nl. Values are for 2001.			

There is a standard level of rent which the Hh has to pay that changes according to the income, age and size of the Hh. This rent allowance is better than the previous object subsidies used in the rented sector, since it subsidizes those who truly need it. However, object subsidies still operate on a small scale (VROM, 1997), with rent allowances applied for dwellings on which the rent exceeds the maximum rent level. For instance, in 2001, for the lowest income group, the monthly standard rents were:

For two and more peson Hhs aged 65+: 162.45 Euro
For single-person households aged 65 +: 164.27 Euro
For all households aged less than 65: 166.08 Euro

For rents over standard rent, there are three types of housing benefit:

100 % housing benefit: For rents up to 298.59 Euro, which is the quality housing limit, the gap between the standard rent that the household is responsible to pay and the rent of the dwelling is covered. If for instance, the Hh is single person aged over 65, and lives in a dwelling unit with a rent of 280 Euro, then 115.73 (280-164.27 = 115.73) Euro is covered as housing benefit.

75 % housing benefit: When the rent is between 458.32298.59 Euro, only 75 % of the gap between the standard rent and real rent is covered as housing benefit. For example, say a Hh pays 166.08 Euro standard rent and lives in a housing unit with a rent of 450 Euro, then 212.94 ([450-166.08 = 283.2] x 0.75 = 212.94) Euro is housing benefit.

50 % housing benefit: Only for households aged 65 and over, single or handicapped may get this type of housing benefit. For rents over 427.46 Euro (for single or two-person households) or over 458.32 Euro (for three or more person households) in addition to the standard rent, 50 % of the difference is covered[3].

Only for rents lower than liberalisation limit is housing benefit applied. For Hhs with a high level of income, no housing benefit is provided. The income level limit is again determined with reference to Hh size (single, two and more person Hhs) and the age of the householder (65 and over, younger than 65).

This system has been initiated and implemented in the Netherlands for many years, and modifications are still continuing, especially in the determination of annual values. In Turkey, developing a rent subsidy system like the Dutch one would be hard and time consuming. Besides this, local implementations could be required for differentiated local housing markets. In the Netherlands, the determining of the 162.45 Euro and 164.27 Euro values, which are very close to each other, may be understood as an indicator that administrations do respect or reflect even minor differences. However, in Turkey, these differences would most probably not be considered as plausible. Therefore, even determining the standard rent level will probably raise harsh discussions, which could probably be overcome by patient and decisive governments.

[3] Accessed on several occasions at http://www.vrom.nl

C.2. AN EXAMPLE FOR HH INCOME–AGE AND INTEREST RATE RELATION FOR NHG GUARANTEE (2005)

Table C.2: Hh Income-Age and Interest rate relation for NHG guarantee		
Annual Gross Income (18-65 ages)	**Interest rate**	
	% 5,50- % 6,0	**% 6,001- % 6,50**
€ 16,500	% 28,3	% 28,6
€ 18,000	% 30,2	% 30,9
€ 37,000	% 30,5	% 31,3
€ 47,500	% 30,8	% 31,8
€ 45,000	% 31,6	% 32,5
€ 50,000	% 32,8	% 33,7
Source: www. rabobank.nl		

Table C.2 reveals that for a person aged between 18 and 65 with a gross annual income of 47,500 Euro, monthly repayments of a mortgage cannot be more than 30.80 %. If the interest rate is over 6 %, this ratio is 31.80 %. When a mortgage agreement does not meet these conditions, a Dutch National Mortgage Guarantee (Nationale Hypotheek Garantie – NHG) cannot be obtained.

C.3. DUTCH HOUSING FINANCE

When a household opts to buy a house, the first step is to find a convenient dwelling through the advice of real estate agencies. Then, with a particular dwelling and price in mind, the household asks the banks how much they may borrow, depending on the value of the dwelling and the income of the household. Banks offer different interest rates, loan terms and schemes. Generally speaking, the primary pre-requisite for obtaining a mortgage is to have an employment contract.

Several mortgages include insurance premiums. The mortgage alternatives are so developed that it may take some time to decide on which type of mortgage is the best for the Hh. As such, there are also mortgage advisers who help Hh in making the right decision, preparing a file in which the results of alternative mortgages from different banks are shown. Following this consultancy, the Hh makes a final decision on the mortgage and buys the house. The purchase of the dwelling is carried under two contracts: the first one between the Hh and the bank (lender),

comprising the details of the mortgage; and the second between the seller of the dwelling and the buyer (household), comprising the conditions of the purchase.

Mortgage contracts are generally for 30 years (*looptijd*), which means that the borrower must repay the loan within that period, however the contract contains an item (*vast*) stating the term of validity of the contract would be valid, in other words, the conditions are reviewed at the end of each *vast* period. If, for example, this is three years, then the parties come together at that time and may agree to change the terms of the contract. The Hh may desire to terminate the contract and move their mortgage to another financial institution, or the bank may ask for a higher interest rate due to the changing economic conditions. In this meeting, the new vast is also determined. This is a barrier against loss for both parties. After each meeting, there is also thinking time (*denktijd*). For any changes made within the predetermined vast and denktijd, the household has to pay a fee known as *boeterente*.

Within the repayment period, households may ask for a second mortgage in order to rehabilitate the dwelling. The system is flexible in answering these possible demands. In addition to these, the household may make use of financial advantages (*fiscaal voordeel*). The commission fee of 1 %, notary costs, the fee paid to the NHG and the *boetezente* are all tax deductible[4].

To give an example: A Hh determines the dwelling unit s/he wants to buy. Each unit has a base value of *WOZ* which is determined by the municipality showing the minimum value of the dwelling (A in the example), however the deal is generally for a higher price (B in the example). For insurance purposes, this deal value is used. With additions of the notary etc, the final price is determined (C). The amount of loan asked from the financial institution is C.

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[4] www.hypotheekpocket.nl (Accessed in July 2006).

Base Value (A) = 106,00 Euro
Deal price (B) = 116,000 Euro
Final price (C) = 123,000 Euro

If the Hh faces a financial difficulty, the bank may grant extra time if considered a temporary period of difficulty, however if it is something more long term, then the Hh asks the NHG for help. In this case, the NHG takes ownership of the dwelling, sells it and pays the rest of the debit to the bank. In our example, say the dwelling is sold for 110,000 (note that it cannot be lower than 106,000). The difference between the mortgage taken form the financial institution (123,000 – 110,000 = 13,000) is paid by the NHG. If the situation of the household is really bad the NHG can cover all the costs, but if the difficulty is due to a decrease in the income etc., then the household is obliged to repay the NHG at a low interest rate.

In the contract there is an option for the Hh to decide whether the guarantee fund from the NHG will be wanted or not in future. This works as a support institution for Hhs who may have difficulty in making the repayments when, for instance there is decrease in the income of the Hh, death of a partner, divorce etc. In order to make use of this guarantee, the household pays an extra 600 Euro to the NHG for future ambiguities. The price of the dwelling cannot exceed 250,000 in this case. Within this process, if the household has difficulty in making the repayments, they can ask to the NHG to cover the debt to the bank.

After learning how much of a loan will be required for the purchase, the next step is deciding on the financial institution. The bank[5] determines the possible amount of loan, taking into account the following:

- *Monthly income of the applicant*
- *If any, monthly income of the partner*
- *If temporary income(s) are included in the above amounts, they are deducted*

[5] www. rabobank.nl

- *Any debts to other financial institutions?*
- *Age(s)*
- *Any compulsory payments, such as alimony, required of the partners*
- *Any ownership of house of the partners*
- *Any savings*

Table C.3: Attributes of the Household when Applying for a Mortgage		
	The applicant himself/ herself	His/her partner
Monthly income	€ 1500	€ 750
Age	29	27
Temporary incomes included?	No	No
Any debts to financial institutiosn?	No	No
Any alimony payments?	No	No
Any house owned	No	No
Any saving	No	No

A household with the above attributes can obtain a mortgage loan of total 125, 400 Euro, with a gross monthly repayment of 705 Euro (net 498 Euro) over a 30-year repayment period. If the dwelling is new, the mortgage loan can be at most 123, 600 Euro, while if old, the loan can be at most 115,800 Euro[6]. The Hh makes the repayments in advance, and then deducts them from tax. In this case, the net monthly repayment is 498 Euro.

[6] www. rabobank.nl

SUMMARY

INTRODUCTION

Studies of tenure choice and/or Entry to Home Ownership (EHO) already stand at the heart of housing studies (Fejitsen and Mulder, 2002; Megbolugbe and Linneman, 1993; Clark, Deurloo, Dieleman (1997); Dieleman, F. M., and Everaers, P. C.J. (1994); Mulder, C. H. and Wagner, M., (1998). This attention stems primarily from the increasing tendency of home ownership rates in the majority of advanced capitalist countries.

This thesis examines the factors which hypothetically affect EHO process. In doing so, a comparison is carried out between two countries which are quite distinct with respect to their housing policies: Turkey and the Netherlands. The Turkish housing system is characterized by low level of state intervention and being dependent primarily on the performance of the private sector in housing provision. The Dutch housing system however, is known with its great performance in state provision of public housing. The initial differences in the housing systems make the comparison fruitful and help to reveal the relevance of the factors affecting EHO in either of the cases.

THEORETICAL FRAMEWORK

In the literature, it has been frequently denoted that EHO is a function of Hh attributes, housing stock characteristics, macro economic circumstances and cultural values (Fejitsen and Mulder, 2002; Megbolugbe I. F., Linneman P.D. (1993); Clark, W. A. V., Deurloo, M. C., Dieleman, F. M., (1997); Dieleman, F. M., and Everaers, P. C.J. (1994); Mulder, C. H. and Wagner, M., (1998) etc.). Accordingly, it is generally expected for instance, that when an income increase occurs in a household, EHO may be triggered. Or, as the householder is aged, EHO

may be more frequently considered and chosen as a tenure type. In this study, factors affecting EHO are discussed in four groups: Hh attributes, housing stock characteristics, socio-cultural factors and housing finance and external factors.

EHO is influenced by both macro (policy implications) and micro circumstances (households). Macro conditions determine the framework/ the context and make Hhs bounded up to these circumstances in their housing careers. Individuals make choices within the given macro conditions. The solutions within these contexts would be different for different countries and regions. EHO is not a simple choice that households make. The number of factors is high and these factors have further interrelations. This makes the process difficult to analyze and almost impossible to deconstruct into its parts.

The process of EHO is a complex issue having a variety of socio-economic and spatial repercussions. Due to numerous actors involved and the dynamic nature, this topic has an embedded and highly complicated nature. This however makes it a valuable opportunity for planners to control various sectors and enable them to envisage appropriate policies to achieve efficient and desirable results both for governments and households. A better understanding of the issue therefore makes it possible to control Hh residential satisfaction, Hh economic concerns, societal well being, and preservation of the housing stock. By analyzing EHO, it is possible to monitor and manipulate the numerous distinct factors of the housing system -such as household characteristics and housing features, as well as the construction sector, level and composition of the stock, laws on housing finance and urban development, spatial developments, rent levels, house prices and the like.

RESEARCH ARGUMENTS

1. EHO is multi dimensional process. Directly or indirectly, the process involves all of the households and the whole housing stock. Due to its embedded structure, EHO should be considered with its multi dimensional interrelations but not as a sole tenure category. The relevance of interrelations may be different for distinct countries due to different socio-economic, cultural histories and spatial circumstances,

and even within the same country due to local circumstances. This is why local and comparative studies are required.

2. The level of home ownership rates and EHO are affected both by macro conditions like, inflation rates, housing policies and, micro level attributes like Hh income, HHh age. This thesis argues that EHO can be explained by both macro and micro (or demand and supply) factors. Macro and micro factors included in the study are derived firstly from EHO literature and then refined regarding the data available. As a result, macro factors, in this study, cover the demographic circumstances, housing stock attributes, legal frameworks, housing finance systems. Considering also the data available for the two cases, the variables employed for the micro level study are: HHh age, Hh Size, Hh type, Hh income, construction year of the dwelling (age of the dwelling), dwelling size, number of rooms and dwelling type.

3. The EHO analysis begins from the factors affecting it and relates them to the economic, cultural, spatial and social outcomes. Therefore, the intention is to employ EHO analysis as a means for monitoring housing systems, identification of problems and their policy implications in the case countries and to achieve satisfaction of both Hhs and administrations.

In accordance with the three arguments, the study aims to test the relative significance of the factors in EHO by making a comparative analysis in Turkey and the Netherlands. By doing so, the validity and the relevance of the arguments could be evaluated in the two cases.

METHODOLOGY, DATA AND THE CASES

Turkey and the Netherlands are almost at the opposite ends in terms of housing systems. The two cases are chosen deliberately since they are quite different from each other in terms of housing systems. The embeddedness and multidimensionality of EHO could be pointed out remarkably. The comparison is carried out for two levels and two case groups: the national comparison between urban Turkey and urban Netherlands and second level comparison between Ankara and The Greater Amsterdam Region, ROA.

Analysis of this context is possible in Turkey with reference to the Household Budget Survey (2003-HBS) raw data of the Turkish Statistical Institute (TURKSTAT). For the Netherlands, raw data of Housing Demand Survey (WBO 2002) of the Ministry of Housing, Spatial Planning and the Environment (VROM) are employed. For the second level comparison, ROA vs. Ankara, more recent data, WOON (Het Woononderzoek Nederland) (2006) and Ankara Survey (2008) are employed.

The dissertation employs several levels of investigation in examining EHO in the two countries: (1) descriptive statistics for macro factors like population and demographic attributes, housing systems, housing finance; (2) cross-tabulations for the comparison between OO and NOO and (3) regression analysis for Turkey-the Netherlands and ROA-Ankara.

FINDINGS AND PROBLEMS IDENTIFIED

Contextual and empirical EHO analysis of the study confirms that, despite overall similarities, there are great differences affecting EHO in the two countries. As Dutch and Turkish housing systems have historically been strikingly different from each other, these initial differences inevitably have led to a variety of repercussions in the two countries in terms of EHO. Findings of the study therefore mostly point out the divergences rather than the convergences in the two housing systems. This was the result of the deliberate selection of the cases in the beginning.

Due to strong state regulation in the Netherlands, EHO is realized with respect to certain steps in Hh life-cycles, whereas in Turkey, EHO is more related to its investment value and its decreasing future ambiguities. Different EHO profiles are observed in the two countries. EHOPs defined for Turkey mostly reflect the absence of state support in housing provision. They are generally individualistic efforts developed by private relations like family borrowing, private debts etc. In the Netherlands, EHOPs identified strongly reflect the effects of strong government regulation implemented extensively in the country like the transfers with market debt programs and owner occupation through buying the social rented dwelling; squatting.

Ankara –ROA comparison supported the national level findings. In the absence of an effective national housing policy in Turkey, rather than Hh events, financial concerns of households are found to determine the tenure choice in most cases in Ankara. In ROA, on the contrary, Hh events serve as significant triggers for EHO in most cases.

Problems identified as a result of EHO analysis are c*aptive owner occupation (not making backward moves to tenancy), biased housing stock characteristics (over of the stock in particular dwelling types and sizes)* and *late ownership (ownership possible at later ages)*. For the Netherlands, the problems identified are *captive renting (not moving to owner occupancy due to of benefits of rented sector)* and *high tenure discrepancy- dualisation of the housing stock (particular types and sizes could be found mostly in particular tenure types)*.

CONCLUSIONS

The findings of contextual and empirical comparisons of the two countries support the three primary arguments of the study: EHO is a multi dimensional process; affected both by macro conditions like, inflation rates, housing policies and, micro level attributes like Hh income, HHh age.; and EHO analysis begins from the factors affecting it and relates them to the economic, cultural, spatial and social outcomes. Although the factors could be similar in general terms their effects and magnitudes are found to be distinct in the two countries. In Turkey EHO is mostly realized due to its providing security both in financial and social terms. In the Netherlands EHO process is more of a choice of Hhs dependent on life cycle event in the given availabilities offered by the state.

SAMENVATTING

INLEIDING

Studies naar koop-/huurbeslissingen (*tenure choice*) en/of eerste woningbezit (*Entry to Home Ownership*, EHO) staan al centraal in het huisvestingsonderzoek (Fejitsen en Mulder (2002); Megbolugbe en Linneman (1993); Clark, Deurloo, Dieleman (1997); Dieleman, F. M. en Everaers, P. C.J. (1994); Mulder, C. H. en Wagner, M. (1998). Deze aandacht is vooral het gevolg van het groeiende aantal eigen woningen in de meeste geavanceerde kapitalistische landen.

In dit proefschrift worden de factoren onderzocht die hypothetisch gezien van invloed zijn op het EHO-proces. Hierbij wordt een vergelijking gemaakt tussen twee landen die nogal verschillend zijn voor wat betreft hun huisvestingsbeleid: Turkije en Nederland. Het Turkse huisvestingssysteem wordt gekenmerkt door weinig overheidsingrijpen en door het feit dat het vooral afhankelijk is van de resultaten in de particuliere sector voor wat betreft het woningaanbod. Het Nederlandse huisvestingssysteem staat echter bekend om de goede resultaten op het gebied van door de overheid beschikbaar gestelde sociale woningbouw. Deze initiële verschillen in de huisvestingssystemen zorgen voor een nuttige vergelijking en helpen de relevantie duidelijk te maken van de factoren die in beide gevallen van invloed zijn op EHO.

THEORETISCH KADER

In de literatuur is er al vaak op gewezen dat EHO een functie is van kenmerken van het huishouden (Hh), kenmerken van het woningbestand, macro-economische omstandigheden en culturele waarden (Fejitsen en Mulder (2002); Megbolugbe I. F., Linneman P.D. (1993); Clark, W. A. V., Deurloo, M. C., Dieleman, F. M., (1997); Dieleman, F. M. en Everaers, P. C.J. (1994); Mulder, C. H. en Wagner,

M. (1998), enz.). Dienovereenkomstig wordt bijvoorbeeld over het algemeen verondersteld dat als het inkomen van een huishouden toeneemt, er een aanleiding kan ontstaan om tot EHO over te gaan. Of EHO wordt vaker overwogen en gekozen als eigendomsvorm als het gezinshoofd ouder is. In dit onderzoek worden de factoren die EHO beïnvloeden in vier groepen besproken: Hh-kenmerken, kenmerken van het woningbestand, sociaal-culturele factoren en woningfinanciering en externe factoren.

EHO wordt zowel door macro-omstandigheden (beleidsmatige implicaties) als micro-omstandigheden (huishoudens) beïnvloed. Macro-omstandigheden bepalen het kader/de context en maken dat huishoudens in hun huisvestingsloopbaan nauw met deze omstandigheden zijn verbonden. Individuen maken keuzes binnen de gegeven macro-omstandigheden. De oplossingen binnen deze contexten zijn verschillend voor verschillende landen en regio's. EHO is geen simpele keuze die door huishoudens wordt gemaakt. Er speelt een groot aantal factoren mee en deze factoren zijn weer onderling met elkaar verbonden. Hierdoor is het proces moeilijk te analyseren en is het vrijwel onmogelijk om het in onderdelen te ontleden.

Het proces van EHO is een complexe kwestie met een groot aantal verschillende sociaaleconomische en ruimtelijke gevolgen. Als gevolg van de talloze betrokken actoren en de dynamische aard van dit onderwerp, heeft het een ingebed en zeer gecompliceerd karakter. Hierdoor biedt het planners echter een waardevolle gelegenheid om controle uit te oefenen op verschillende sectoren en kunnen zij een passend beleid ontwikkelen om resultaten te behalen die zowel voor de overheid als voor huishoudens efficiënt en wenselijk zijn. Een beter begrip van de kwestie maakt het dan ook mogelijk om controle uit te oefenen op residentiële tevredenheid van huishoudens, economische belangen van huishoudens, sociaal welzijn en het behoud van het woningbestand. Door EHO te analyseren kunnen de talloze verschillende factoren van het huisvestingssysteem worden gemonitord en gemanipuleerd - zoals de kenmerken van huishoudens en van huisvesting, evenals de bouwsector, het niveau en de samenstelling van het woningbestand, wetgeving met betrekking tot woningfinanciering en stedelijke ontwikkeling, ruimtelijke ontwikkelingen, huurprijzen, huizenprijzen en dergelijke.

ONDERZOEKSARGUMENTEN

1. EHO is een multidimensionaal proces. Het proces heeft direct of indirect betrekking op alle huishoudens en op het hele woningbestand. Vanwege de ingebedde structuur moet EHO samen met de bijbehorende multidimensionale interrelaties worden gezien, niet als één eigendomsvorm. De relevantie van interrelaties kan voor afzonderlijke landen verschillen als gevolg van verschillende sociaaleconomische, culturele achtergronden en ruimtelijke omstandigheden, en kan zelfs binnen hetzelfde land verschillen als gevolg van lokale omstandigheden. Daarom moeten er lokale en vergelijkende studies worden uitgevoerd.

2. De cijfers voor woningbezit en EHO worden beide beïnvloed door macro-omstandigheden zoals het inflatiecijfer en huisvestingsbeleid, en door microkenmerken zoals het Hh-inkomen en de leeftijd van het gezinshoofd (HHh). In dit proefschrift wordt beargumenteerd dat EHO kan worden verklaard door zowel macro- als microfactoren (ofwel vraag en aanbod). De macro- en microfactoren die in het onderzoek zijn opgenomen, zijn in eerste instantie afgeleid uit de EHO-literatuur en vervolgens verfijnd met betrekking tot de beschikbare gegevens. Als gevolg hiervan hebben de macrofactoren in dit onderzoek betrekking op de demografische omstandigheden, de kenmerken van het woningbestand, de wettelijke kaders en de systemen voor woningfinanciering. Als ook de gegevens die voor de twee casussen beschikbaar zijn in aanmerking worden genomen, dan zijn dit de variabelen die voor het onderzoek op microniveau zijn gebruikt: HHh-leeftijd, Hh-grootte, Hh-type, Hh-inkomen, bouwjaar van de woning (leeftijd van de woning), omvang van de woning, aantal kamers en soort woning.

3. De EHO-analyse begint bij de factoren die erop van invloed zijn en relateert deze factoren aan de economische, culturele, ruimtelijke en sociale resultaten. Daarom is het de bedoeling om EHO-analyse te gebruiken als een middel om het woningbestand te monitoren, om problemen en hun gevolgen voor het beleid te identificeren in de casuslanden en om zowel de huishoudens als de overheid tevreden te stellen.

Conform de drie argumenten is het doel van het onderzoek om de relatieve significantie van de factoren voor EHO te testen door een vergelijkende analyse te maken in Turkije en in Nederland. Op deze manier zouden de geldigheid en de relevantie van de argumenten in beide casussen kunnen worden geëvalueerd.

METHODOLOGIE, GEGEVENS EN DE CASUSSEN

Turkije en Nederland zijn zo'n beetje tegenpolen als het om huisvesting gaat. De twee casussen zijn opzettelijk gekozen omdat ze erg van elkaar verschillen op het gebied van huisvesting. Het ingebedde en multidimensionale karakter van EHO zou zeer treffend naar voren kunnen worden gebracht. De vergelijking wordt voor twee niveaus en voor twee casusgroepen uitgevoerd: de nationale vergelijking tussen stedelijk Turkije en stedelijk Nederland en een vergelijking op het tweede niveau tussen Ankara en de Stadsregio Amsterdam (Regionaal Orgaan Amsterdam, ROA).

De analyse van deze context kan in Turkije worden uitgevoerd met behulp van de onuitgewerkte gegevens van de Household Budget Survey (2003-HBS) van het Turkse Statistische Instituut (TURKSTAT). Voor Nederland wordt gebruikgemaakt van onuitgewerkte gegevens van het Woning Behoefte Onderzoek (WBO 2002) van het ministerie van Volkshuisvesting, Ruimtelijke Ordening en Milieubeheer (VROM). Voor de vergelijking op het tweede niveau, ROA versus Ankara, worden meer recente gegevens gebruikt uit het Woononderzoek Nederland (WOON, 2006) en de Ankara Survey (2008).

Het proefschrift maakt voor het bestuderen van EHO in de twee landen gebruik van verschillende onderzoeksniveaus: (1) beschrijvende statistieken voor macrofactoren zoals bevolking en demografische kenmerken, huisvestingssystemen en woningfinanciering; (2) kruiselings tabelleren voor de vergelijking tussen OO en NOO; en (3) regressie-analyse voor Turkije-Nederland en ROA-Ankara.

BEVINDINGEN EN GEÏDENTIFICEERDE PROBLEMEN

Contextuele en empirische EHO-analyse van het onderzoek bevestigen dat er, ondanks globale overeenkomsten, grote verschillen zijn die EHO

in de twee landen beïnvloeden. Aangezien het Nederlandse en het Turkse huisvestingssysteem historisch gezien zeer verschillend zijn, hebben deze initiële verschillen onvermijdelijk tot een groot aantal verschillende gevolgen geleid voor EHO in de twee landen. De bevindingen van het onderzoek laten dan ook vooral de verschillen tussen de twee huisvestingssystemen zien, in plaats van de overeenkomsten. Dit was het resultaat van de opzettelijke selectie van de casussen in het begin.

Als gevolg van verregaande overheidsregulering in Nederland, wordt EHO gerealiseerd met betrekking tot bepaalde stappen in de Hh-levensloop, terwijl in Turkije EHO meer is gerelateerd aan investeringswaarde en afnemende toekomstige ambiguïteiten. In de twee landen kunnen verschillende EHO-profielen (EHOP's) worden geïdentificeerd. EHOP's die voor Turkije zijn gedefinieerd, weerspiegelen vooral de afwezigheid van overheidssteun bij huisvesting. Het zijn vooral individualistische pogingen ontwikkeld door particuliere relaties, zoals leningen van familieleden, particuliere schulden, etc. In Nederland vormen de geïdentificeerde EHOP's een sterke afspiegeling van de gevolgen van een verregaande overheidsregulering die op grote schaal in het land is geïmplementeerd, zoals de overdrachten met marktschuldprogramma's en eigenaarbewoning als gevolg van het kopen van de gehuurde sociale woning; kraken.

De vergelijking tussen Ankara en ROA bevestigde de bevindingen op nationaal niveau. In Turkije bleek dat, bij gebrek aan een effectief nationaal huisvestingsbeleid, de eigendomsvorm in Ankara in de meeste gevallen wordt bepaald door de financiële belangen van huishoudens, in plaats van door Hh-gebeurtenissen. Daar staat tegenover dat in de ROA in de meeste gevallen Hh-gebeurtenissen een significante aanleiding vormen voor EHO.

De problemen die als gevolg van EHO-analyse werden geïdentificeerd zijn *gebonden bewoning door eigenaars (niet terugkeren naar een huurwoning), op vooroordelen gebaseerde kenmerken van het woningbestand (woningbestand bestaat uit woningen van een bepaald type of bepaalde grootte)* en *laat eigenaarschap (eigenaarschap mogelijk op hogere leeftijd)*. Voor Nederland werden de volgende problemen geïdentificeerd: *gebonden huren (niet overstappen naar een*

eigen woning vanwege de voordelen van de huursector) en *grote discrepantie in eigendomsvorm-dualisering van het woningbestand (woningen van een bepaald type en grootte zijn vooral te vinden binnen een bepaalde eigendomsvorm).*

CONCLUSIES

De bevindingen van contextuele en empirische vergelijkingen tussen de twee landen bevestigen de drie primaire argumenten van het onderzoek: EHO is een multidimensionaal proces; het wordt beïnvloed door zowel macro-omstandigheden, zoals inflatiecijfers en huisvestingsbeleid, als microkenmerken, zoals Hh-inkomen en HHh-leeftijd; en EHO-analyse begint bij de factoren die het beïnvloeden en relateert deze aan de economische, culturele, ruimtelijke en sociale resultaten. Hoewel de factoren globaal gezien gelijk zouden kunnen zijn, blijken hun gevolgen en omvang verschillend te zijn in de twee landen. In Turkije wordt EHO vooral gerealiseerd omdat het zowel financiële als sociale zekerheid biedt. In Nederland is het EHO-proces meer een keuze van huishoudens die afhangt van gebeurtenissen in hun levensloop, binnen de door de overheid geboden mogelijkheden.